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THE OUTLOOK

The Oil Scandal as a Smoke Screen—Effect of the Steel Dividend—The Public and Securities—Hunting the American Dollar — The Market Prospect

NOBODY would minimize the importance of the so-called oil scandal which has been developed by the efforts of progressive Congressmen. The situation is bad—as bad as can possibly be—and, while it is the members of Congress themselves, who have supinely allowed the situation to grow up, there can be no doubt of their duty to correct it as rapidly as practicable.

The unfortunate thing about the situation, however, is the fact that Congress allows itself to run wild in the search for scandal, to the neglect of public interests for the future, while the community itself is distracted by the pushing forward of sensationalism, and loses track of what is more significant at the moment. There is nothing that is more essential to the avoidance of scandal in the future, to the improvement of business conditions for the present, and to the righting of wrongs in many directions, than the enactment of the tax-reform measure. And yet, it is now evident that there is the danger that public attention may become so decisively diverted from the lively study of the tax-reform question as to "slow down" the whole movement.

Those who are guilty of the oil scandal committed a disgraceful offense against the canons of public morality and decency. They may have committed an actual crime. That remains to be established. They have unquestionably alienated vital national resources. It is well to lock the door even after the horse has been stolen, but while doing so there is no good reason for carelessness with regard to other doors. Now at the present time the tax situation is full of menace to the community and to business. It not only prevents the growth of prosperity, but it is engendering a feeling of hostility and dissatisfaction which must not be viewed lightly. There is a deep and widespread sense of wrong and injustice, on the part of a large number of responsible men in our nation. It is essential that they should be given the "square deal" of which so much has been said in the political dialect of recent years.

Because of the fact that almost all income taxation is limited in its application to a comparatively small percentage of the community, due to the high cost of collecting it from the rank and file of the public at large, it is always difficult to center general attention upon the need of reform in that particular branch of public administration, nevertheless, the existence of injustice in taxation inevitably means the existence of far more widespread injustice in the distribution of wealth, in rates of wages, in the buying power of the dollar and in many other phases of economic life. To explain all this to the public at large, and to secure a fair realizing sense of the actual interests which are involved in the restoration of taxation to a fair basis, is a great task. It is also a task which is very distasteful to many groups of politicians.

It would be hasty to say the present oil scandals are the result of efforts designed to "draw a red herring across the trail" of those who have been opposing tax reform, and hence to divert the attention of the public from them to something else. Yet there is a sinister suggestiveness in the fact that the same men who are most prominent in the oil discussion are those who have been most conspicuous in opposing tax reform, who are keen to have doubtful railroad legislation passed and who apparently feel no particular sympathy with that part

of the population which is suffering the direct effects of badly distributed taxation. This may be only a coincidence, and if that be what it is there is the more reason for earnest effort on the part of progressives to make plain that they have no desire to retard the development of genuine tax reform. Be the attitude of the politicians what it may, the public at least should not allow itself to be deceived.

There should be no relaxation of the demand for tax reduction; but the reform bill should be kept in the foremost place before Congress. While the dirty linen is being washed at one end of the Capitol, real work should be in progress, with a view to avoiding more dirt, at the other. There should be steady persistent labor in Committee for the purpose of obtaining a report upon the Mellon Tax Reduction bill; or, if not that, then upon some measure fully as capable of affording relief from present evils. Lacking such effort, the scandalous revelations about oil and the noisy ventilation of misconduct on the part of politicians will profit the public nothing, while the opportunity for getting some bona fide relief and avoiding danger of future misappropriation of funds will disappear.

THE STEEL DIVIDEND

UNITED STATES STEEL has again taken the lead in market affairs by advancing its dividend, this time by 50 cents per share for the quarter. The result is to put the stock, at least temporarily, on a 7% basis and the indirect effect of the action has been to create the expectation in many minds that the experience of three months ago when the first dividend advance was first ordered may be repeated. Thus far, it is impossible to say to what extent such expectations may prove warranted.

Too many conflicting factors are at work in the market to permit of very definite assignment of any one of them as the cause of a movement of prices in any given direction. In this case, the evidence in favor of the action of the Steel directors appears to be stronger than it was on the former occasion. At that time, unfilled orders were on the decline and there was considerable reason to doubt whether current economic conditions warranted the advance. Today an excellent quarter's earnings have been taken in since the last dividend declaration, and an actual earning for the year 1923 of about $16.50 per share has been realized. No fault can be found with the directors for declaring the very moderate extra dividend they have ordered paid under these conditions, while their action in doing so may tend to stimulate the list by making an exhibition of confidence in the general future.

This at least is the larger bearing of the Steel dividend. It is unquestionably what is called in market language a "constructive influence" tending in the direction of higher prices. Independent steel shares have naturally followed along the same line of growth with better quotations in a number of cases, due to the belief that steel demand is really broadening.

THE PUBLIC AND SPECULATION

FOR a good many months past there has been discussion regarding the extent to which the public is really interested in the stock market. It has often appeared that there was but little outside buying support, and the inference has been drawn that the public was not much concerned. Some light on this situation has been thrown during the month of January. It now appears that in that month the volume of brokers' loans has increased but very slightly, the total now being hardly in excess of $1,400,000,000.

Apparently, then, the activity of speculation which has been considerable during the month has not resulted in a much greater draft upon the resources of the banks for the support of the trading that has been in progress. This appears to indicate that those who have been most interested in stocks are already pretty well financed, and have used their own money in large measure in sustaining their operations.

The situation is in many ways wholesome, because it indicates that the market is not unduly dependent upon aid in the form of loans. With the very great surplus lending power now in the hands of the banks, and with the large quantities of out-of-town funds that are present in the New York market, due to lack of employment at home, it would not be strange if there should be considerable impetus to extensive lending in the stock market with a view to enabling idle money to earn its "keep."

One factor which has tended to prevent inflation of this kind has been the fact that the rank and file of the community has undoubtedly been more or less alarmed by the apparent hostility existing in Washington with respect to almost every kind of productive business. This attitude on the part of our legislators has apparently not yet been abandoned and the results are correspondingly effective in comparatively restraining investment. Still, the spectacle of

advancing security prices will no doubt largely offset what seems to be a fundamental hostility of a part of the public toward Wall Street.

HUNTING THE AMERICAN DOLLAR

IT seems almost as if the limit of human ingenuity had been reached in the various schemes for floating European loans or getting money by hook or crook in the United States. One of the latest is the plan for a "gold bank" for Germany, its stock to be taken largely in this country. Another is the scheme for placing a Hungarian "reconstruction" loan among local investors with a view to bringing order into the finances of that nation under somewhat the same conditions that prevailed when an Austrian loan was placed some time ago.

French statesmen continually recur to the necessity of getting American funds into the reparations situation, and of deferring the payment of their obligations to this country. Germany undoubtedly plans to float bonds here as soon as conditions will in any way permit.

Now in all this conflict of interest, there can be no doubt of the real underlying facts in the situation. It would be an immensely profitable thing for the United States, in the larger sense of the term, to lend money to Europe for the purpose of putting the industry of European nations on foot again in order that foreigners might become larger buyers of American goods. Of course, it would be a good thing for the European countries to put their finances in order by the use of American money, if no other is available to them. But there is no use of going into any such enterprise under a misapprehension.

United States investors have no intention whatever of providing for reparation payments and there is no reason why they should. Neither in an open nor a veiled form, therefore, is a plan for the adjustment of conditions in any of the European countries by providing for reparations payments to be attempted here. There is no occasion for people in this country to accept a second, third or fourth mortgage. If they lend they are entitled to a first claim and no other must be substituted for it under any pretext.

WOODROW WILSON

1856-1924

Statesman—Idealist—Humanitarian

BRANCH BANKING IN THE COURTS

BY handing down a decision in the branch banking case brought up from the St. Louis district, the United States Supreme Court has contributed materially to the clarification of political issues surrounding that subject. According to the Court, there can be no doubt that the states have the full right to determine whether branches shall exist in their own territory, while on the other hand, it is equally clear that nothing in the National Bank Act gives the national banks the right to establish branches.

According to the Controller of the Currency and the Federal Reserve Board, this leaves their recent administrative rulings now in effect untouched. The Controller has ruled that a national bank may establish a "Tellers' Window" branch within the limits of its own city if such branches are permitted under state law. This is presumably on the same theory as the familiar conundrum, "When is a man not a man?"

A Tellers' Window branch is not a branch because the Controller says it is not, while the Federal Reserve Board, in its discrimination against branches, is, of course, violating no law, but only the spirit of existing law. There may yet be proceedings designed to compel both authorities to abide by the ideas contained in the Supreme Court branch bank decision, although none such is as yet in sight.

THE MARKET PROSPECT

THE market continues to give evidence of its substantial character. There is nothing spectacular about it; its action is more like the gradual filling of a reservoir. In a sense, that is what is happening. Money is flowing into securities and steadily raising their price levels.

Many corporations now find their working capital more than sufficient for any imaginable requirements and are preparing a policy of greater liberality toward their stockholders. This factor, combined with the recapitalizing plans under way in numerous quarters, should lead to a situation unprecedented in our railroad and industrial history.

Monday, February 11, 1924.

How Tax Reduction by the Mellon Plan Would Affect the Country's Business

What It Would Mean to Individuals—Why Non-Tax Payers Should Study It—Its Effect on Living Costs

*By JOHN QUILLIN TILSON**

Representative in the House from Connecticut and Member of the Committee on Ways and Means

Representative Tilson

"TO distribute $300,000,000 among the people of the United States to the maximum benefit of all of them — that is the hard problem Secretary Mellon undertook to solve in his tax reduction plan," said Representative Tilson, when I asked him to discuss the facts and implications of tax reduction.

"That, it must be emphasized," continued Mr. Tilson, "is something very different from merely reducing taxes by $300,000,000. It would be easy to effect a reduction of even more than that amount and leave the country worse off than before. On the other hand, it is possible in reducing taxes that much to effect favorable results on the general economic well-being of the people far out of proportion to the amount of the reduction.

"While the indirect effects of judicious reductions of taxation are the most important, the direct benefits are not contemptible. You might think offhand that $300,000,000 a year does not signify much when divided among 110,000,000 people, but you must remember that our federal taxes are paid in the first instance by less than 7,000,000 persons; so the remission of that sum means nearly $50 a taxpayer on the average. Now, $50 more a year to spend on himself and family, or to invest, is a very substantial dividend for the ordinary taxpayer. Again, $300,000,000 a year, diverted from what is largely nonproductive expenditure when raised as taxes, and turned into trade and industry is bound to multiply itself.

What Tax Reduction Will Lead To

"But the incidence of judicious tax reduction is more important, just as the incidence of levying taxes in the first instance is often more oppressive than the tax itself. Everybody knows that quite naturally the tax burden is largely passed on to the ultimate consumer. Everybody is an ultimate consumer, to be sure, but the passing on results in a final apportionment of taxation that is quite different from the primary one. Primarily, all the federal income taxes are paid by less than 7,000,000 persons. Ultimately they are paid by every man, woman, child and baby in the land. It is virtually impossible to pass on $300,000,000 through several hands to the final payers, without having several hundred millions more stuck to it as toll by the way. The legitimate business man must make an allowance for taxes before their precise amount is known, and so he allows a margin of safety in figuring the cost factor of taxes. The profiteer finds taxes an excellent excuse for exorbitant charges. So the ultimate consumer not only pays all the taxes that can be passed along, but perhaps even more to the private taxpayers who stand between him and the government.

"Now here is where the more than 20,000,000 families of this country that are paying taxes without knowing it will be greatly benefited. *I wouldn't be surprised if the proposed tax reduction—along the Mellon lines—would mean* $30 *a year each to these supposedly untaxed families. Most of these people are on the ragged edge of comfortable existence, and* $30 *a year to them means more than* $300 *to most of the families that actually hand money over to the tax collector.* They will not actually see the $30, but they will save it through the reduced price-level that is certain to follow a substantial reduction of the tax burden if it is applied so as to operate in accordance with economic law. A lower price level is apt to mean a higher level of living."

HOW THE MELLON PLAN WOULD AFFECT LARGE UNEARNED INCOMES

	Single person. Unearned income.		Married man with two dependents. Unearned income.	
Net income	Present law	Proposed law	Present law	Proposed law
$50,000	$8,720	$6,740	$8,576	$6,632
100,000	30,220	19,900	30,076	19,792
200,000	86,720	50,900	86,576	50,792
300,000	144,720	81,900	144,576	81,792
400,000	202,720	112,900	202,576	112,792
500,000	260,720	143,900	260,576	143,792
1,000,000	550,720	298,900	550,576	298,792

* As interviewed for The Magazine of Wall Street by Theodore M. Knappen.

"Secretary Mellon was thinking then more of the tens of millions who do not directly pay taxes than of the millions who do?" I asked Mr. Tilson.

Was Mellon Thinking of the Masses?

"Well, that would be an exaggerated way of putting it," was the answer, "but it would be largely true. He was thinking of all the people out of whom the taxes ultimately come, whether they make tax payments or not, but I think the burden is most onerous on the millions whose names do not appear on the tax rolls. Just to illustrate. I know of a certain community of 600 persons in which there are only three federal income taxpayers — and there are thousands of such communities. You could remit the taxes of the three altogether and not benefit the community appreciably, but if tax reduction is so shaped that it will reduce the living costs of the whole 600, something worth while has been accomplished. To do that you must withdraw the excessive pressure of taxation upon productive enterprise."

"And that is where lowering the surtaxes paid by the relatively few benefits the many—the masses?"

"Exactly. Heavy surtaxes are paid with rich men's checks, but they are cashed, in the last analysis, in the scanty earnings of the common man. Mr. Mellon being a practical and patriotic man, and without the politician's temptation to fall into demagogy, proposed to amputate the excess tax burden in the way that would do the patient the most good. *He knew that the high surtaxes were checking the enterprise and productiveness of those who paid them in the first instance or might be subject to them and were at the same time coming out of those who could the least afford them. So instead of confining income tax reduction to the normal income rates and to earned income he applied it also to the surtaxes.*

"Very likely the rich men who are the targets of the present enormous surtax rates can get along quite comfortably and continue to pay them when they don't dodge them. But what about the people who have to make up for the dodging and ultimately pay what is paid? So it was decided to recommend to Congress that the maximum surtax rate be cut from 50 to 25 per cent, making the maximum total income tax rate—that applicable to the largest incomes—31 per cent, when the proposed normal income tax of 6 per cent is included; as compared with 58 per cent at present. This provided for $100,000,000 of the $300,000,000 rebate. It is true that it directly affects less than a million taxpayers—those with incomes over $5,000. But ultimately it affects everybody.

An Important Social Benefit of the Mellon Plan

"Another social benefit of the greatest importance arises from the distinction it is proposed to make between earned and unearned income. The primary soure of new wealth is in the money-making activity of the individual. To tax what he earns by his activities exactly as you tax the income from accumulated capital is to discourage activity and encourage passivity. Such a policy is a brake on the energies of our most creative and valuable citizens.

"Between the two changes mentioned, capital is released for reproductive use, and individual energy and initiative are encouraged to create new capital.

"One of the greatest fiscal abuses of the times is the tax exempt securities, of which there are outstanding about $14,000,000,000 worth. They afford a perfectly legal and indeed publicly encouraged means of tax-dodging. *Reducing the surtaxes will inevitably make productive investments attractive to thousands of persons who now find it discreet to play safe, escape taxes and fritter away their energies and time; thus withdrawing a vast amount of capability and capital from wealth-making enterprises.*

"In his correspondence with Senator Couzens, Mr. Mellon commented sarcastically on a tax system which makes it possible for a man with an income of a million dollars to get off without paying a cent of direct income tax. That there is a large amount of such getting-off is shown by the fact that while there were 1,216 taxable incomes of more than $300,000 in 1916 there were only 246 in 1921, and their total amount fell from $1,000,000,000 to $150,000,000. The littler fellows had to pay the taxes on the difference—for the government collected its required revenues from some-

(*Please turn to page* 729)

HOW THE SMALLER EARNED INCOMES WOULD FARE UNDER THE MELLON PLAN

	Single person.		Married person without dependent children.		Married person with two dependent children.	
Net income	Present law	Proposed law	Present law	Proposed law	Present law	Proposed law
$2,600........	$64	$36.00	$4	$2.25	...	.....
2,800........	72	40.50	12	6.75	...	.....
3,000........	80	45.00	20	11.25	...	.....
3,200........	88	49.50	28	15.75	...	.....
3,400........	96	54.00	36	20.25	$4	$2.25
3,600........	104	58.50	44	24.75	12	6.75
3,800........	112	63.00	52	29.25	20	11.25
4,000........	120	67.50	60	33.75	28	15.75
4,200........	128	72.00	68	38.25	36	20.25
4,400........	136	76.50	76	42.75	44	24.75
4,600........	144	81.00	84	47.25	52	29.25
4,800........	152	85.50	92	51.75	60	33.75
5,000........	160	90.00	100	56.25	68	38.25
5,200........	176	99.00	128	72.00	96	54.00
5,400........	192	108.00	136	76.50	104	58.50
5,600........	208	117.00	144	81.00	112	63.00
5,800........	224	126.00	152	85.50	120	67.50
6,000........	240	135.00	160	90.00	128	72.00

What's Going to Happen to Your Investments This Year?

by George M. Branting

WHAT are the factors responsible for the important advance in investment securities since the U. S. Steel Corporation set the match to market fireworks by declaring an extra dividend of one-quarter of one per cent on Steel common on October 30 last? Outstanding developments are price advances in leading commodities, large volume of retail trade, increased activity in some manufactures, signs of a reviving Europe and last, but by no means the least, the strong banking and money situation.

Money is the lubricant for the wheels of the securities' markets. When money is abundant and cheap, the market wheels are well oiled and there is little question as to their continued efficient functioning. On the other hand, let a situation arise which hinders the flow of money or raises its price—which is, in effect, the same thing—and the market machinery commences to creak and give forth rattles. While there have been some exceptions, we may safely stick to the generalization that as a rule an abundant supply of money helps prices, and a falling supply tends to depress security prices.

What is the basis for this fundamental of market economics?

The picture-graph which heads this article furnishes the answer. It depicts the money market as a reservoir containing available funds for investment. When business falls off, as it did towards the end of 1923, the demand for funds for business purposes declines. The water level in the money reservoir then rises until supply exceeds demand. Following the invariable law of supply and demand, the price of the commodity—money in this case—declines. But the course of business cannot be altered overnight and for a time, at least, we have a situation where money is cheap but still not in large demand for business purposes. The simile of money and water is very appropriate. For money like water always seeks its level. The only difference is that the level of water is a matter of altitude while the level of money is a matter of interest return.

Now, the increasing supply of money in our reservoir is constantly seeking its interest level, and since seasoned investments, whose prices declined with the decline in business, show a higher rate of return than business is willing to pay, the tendency of the reservoir is to discharge a portion of its accumulation into the level of investment funds.

Business men and investors, instead of obtaining a return of 4½-4¾% on their money loaned at current rates, find it more profitable to purchase investments yielding five, six or even seven per cent. This return can be obtained with a normal degree of safety,

CONCRETE EXAMPLE OF EFFECT OF MONEY RATES ON SECURITIES

High-Grade Preferred Stocks	Recent Price	Div. Rate	Yield %	Current Time Money Rate (%)	Yield That Stocks of This Class Should Offer on Basis of Current Money Rates %	Price Where Security Should Sell to Yield 5¾-6%
1. Amer. Can	111	$7	6.3	4½-4¾	5¾-6	116-121
2. Amer. Steel Fy..	104	7	6.7	4½-4¾	5¾-6	116-121
3. Ches. & Ohio...	100	6½	6.5	4½-4¾	5¾-6	108-113
4. North American.	44	3	6.8	4½-4¾	5¾-6	50-52
5. U. S. Realty....	104	7	6.7	4½-4¾	5¾-6	116-121
High-Grade Common Stocks						
1. Am. Tel. & Tel..	125	$9	7.2	4½-4¾	6½-6¾	134-138
2. B'klyn Edison...	114	8	7.0	4½-4¾	6½-6¾	118-123
3. Cons. Gas	64	5	7.8	4½-4¾	6½-6¾	74-77
4. N. Y. Central...	103	7	6.8	4½-4¾	6½-6¾	104-108
5. Reading	57	4	7.0	4½-4¾	6½-6¾	60-62

NOTE: If the above stocks sold on the yield basis to which they are entitled, as indicated in the table, nearly all should be selling materially above the prices given. Changes in prices since the writing of this article are not taken into consideration.

the most conservative investments yielding around 5%. Medium-grade bonds will return about 6%, while good preferred stocks will yield slightly more. Those more speculatively inclined will purchase sound common stocks yielding around 7%, and finally there is that large group of speculative investors who are tempted by the 8, 9 or even 10% returns on many speculative securities.

As the purchasing process continues, two things happen. The supply of loanable funds decreases and the price of securities advance. Eventually, the latter reach a point where they are no longer attractive. By that time the supply of funds is materially lessened and automatically the money rate advances. Business, meantime, has ceased to hibernate and requires an increasing supply of money. The money tide, then, sets away from securities and towards business and money rates advance further. When the peak of business has been reached and passed, money rates again start on the downgrade. It again becomes more profitable to invest in securities and thus is the investment cycle once more completed.

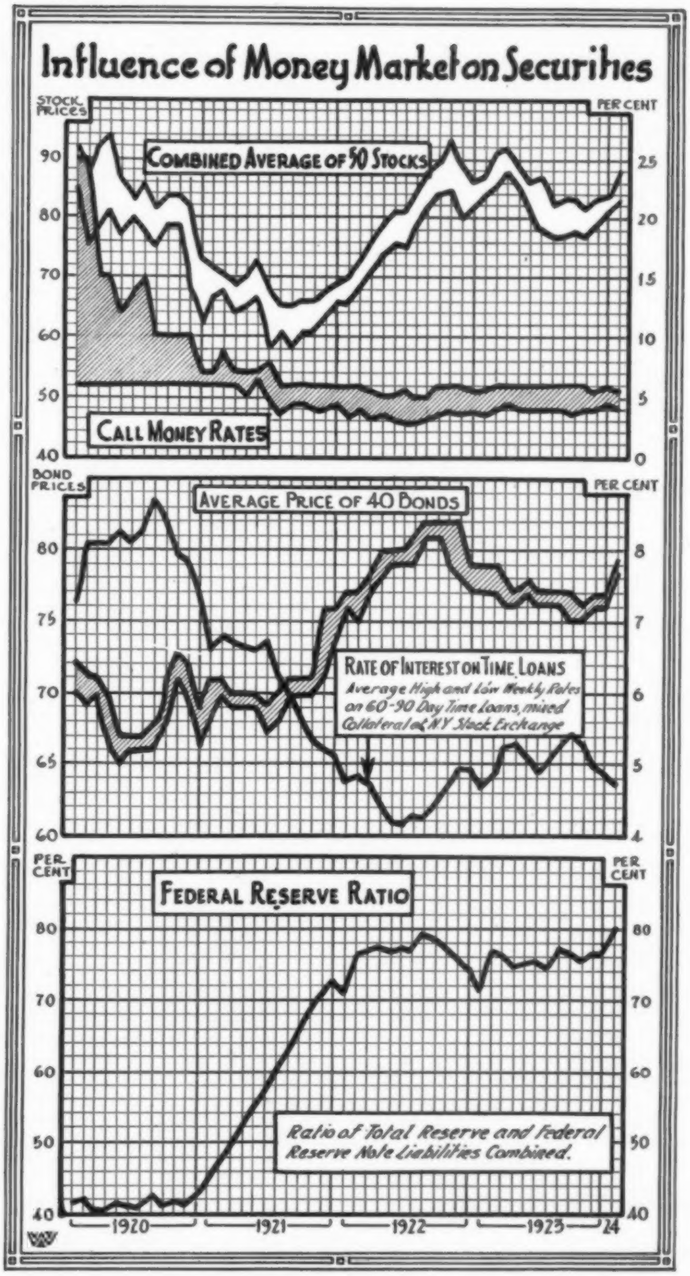
In what stage of this cycle do we find ourself at the present time?

Turning again to the picture-graph we find that the first phase of the cycle is the one at which the money reservoir is quite full and investment prices, indicated by the investment scale, are comparatively low and hence attractive. The second cycle is when the water level in the money reservoir has been lowered and the level in the investment scale has been decisively advanced.

At the moment we are closer to the first stage of the cycle than the second. There is still plenty of money for investment purposes. Rates are low; call money is quoted around 4% and time money at 4½ to 4¾%. Investment securities are not high, many excellent issues being available at returns ranging from 5 to 7%. Thus the situation not only favors borrowers of funds for investment purposes, but there are many excellent investment opportunities available. Under such a combination it is inevitable that there should be important accumulation of investment securities in process.

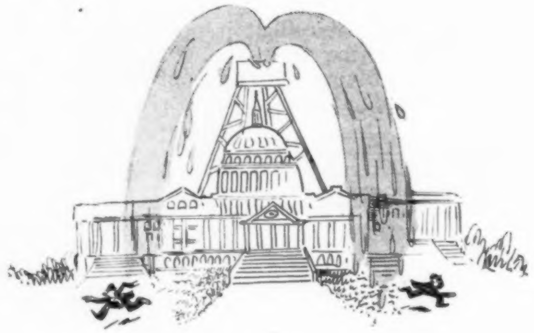
Proof of that is found in the fact that sound bonds have been advancing during the last few weeks. (See graph.) In addition, there has been a demand for good preferred stocks which can no longer be purchased on as favorable a basis as a few months ago. There still remain, however, many opportunities not only for income but even for profit. There has been good demand for the better grade of common stocks which have shown considerable advances from their low levels of last year. This discussion, however, is primarily concerned with issues of an investment nature. The action of securities of that character is largely governed by money market conditions. It follows, then, that with money market conditions favorable, as they are at present, there will continue to be a demand for high-grade investments

(Please turn to page 727)



As indicated in this graph, the Federal Reserve ratio is now at its highest point. This means that the banking and money situation generally is sound. The importance of this to investments is that the latter are almost always favorably affected by a strong money situation. As a result of these conditions, good bonds and preferred stocks should advance in 1924. Good common stocks should also advance, subject to these conditions and others described in this article.

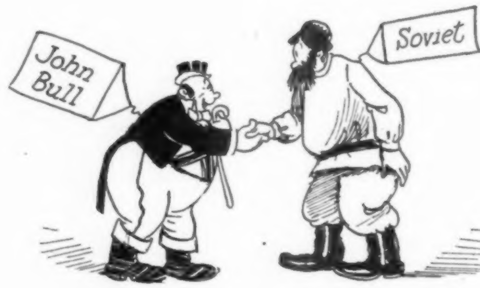
Features of the Financial Fortnight



A reaction from the Doheny Testimony

Going Up!

Too Much for Him!



Glad to Know You, Old Chappie!

The Diagnosis

Judge Gary Obliges

art helfant

Your Dollar~

Before Estate Charges- $1

After Estate Charges- 60-75¢

What Are You Doing to Protect Your Estate from Loss?

Why Men of Average Means as Well as Those of Great Wealth Need to Ponder this Problem—The Importance of Protecting Yourself and Your Heirs

By C. F. HAYES, Jr.

THE average business man in these days of the high cost of doing business, is so busy financing his business that he pays little or no attention to the matter of financing his estate. It is all very well to mutter "no business—no estate"—but after all, the country is not going to the bow-wows as some of the more radical would have us believe. Mr. Average Business Man's business will probably survive—and eventually blossom again, but Mr. A. B. Man's estate—when he dies—is liable to wilt badly.

As a lawyer, the writer speaks from cold, practical experience—from the drawing of the will to the filing of the final account after Mr. A. B. Man has died. It is a fact, that the decedent's estate shrinks today as never before. Indirectly, like almost everything else, we can blame it upon the Great War. Directly, it is due to the high cost of financing the estate after death.

The heavy depreciation of the estates of such prominent men as Frick, Woolworth and Stillman is a matter of common knowledge through press publicity. You undoubtedly remember how the Frick estate wilted almost 50%, with at least one foreign possession and over fifteen of our States exacting their toll in the settlement. Our Federal Government, too, had its innings, with a final score of more than \$6,300,000 to its credit. Pennsylvania's share was almost \$2,000,000, while from the west came Kansas with a claim for over \$350,000.

Does anyone have the slightest doubt why the Woolworth mansion on Fifth Avenue was sold at such a sacrifice? Or why a mortgage for millions was placed on the huge building on Broadway—all after Mr. Woolworth died? It was due to the high cost of financing the estate after death. And all the while, the smaller estates do not escape, although they do not get the same publicity. They all wilt to a certain extent, and often a small shrinkage in a smaller estate is of more serious consequences to the beneficiaries than a larger shrinkage in an estate that is worth millions.

When Mr. A. B. Man seeks to finance his business, he plans to fortify it against the expected and the unexpected—so far as he can. If Mr. A. B. Man is wise, he will seek to finance his estate in the same way. To fortify his estate now. Against what? Let us see.

When a Man Dies

When a man dies, his estate may or may not be a finished estate. By that, I mean that perchance there are to be found among its assets, properties or business which are dependent upon the brains, credit and peculiar knowledge of the deceased to bring them to a degree of value worth computing. Oh yes, there are many such instances, I can assure you! When the "skipper" is alive—they float, and are of great value. When the "skipper" dies—they become mere drifting derelicts. The estate has shrunk, for the income which comes from them—or at least a goodly portion of it—has ceased. That, in itself, is an important type of shrinkage in an estate which it is surprising to me Mr. A. B. Man does not think more about. However, I mention it hurriedly in passing to a more specific discussion of the numerous causes of estate shrinkage.

In the first place, the State prescribes a certain period after death, in which the estate must remain open. This is for the purpose of paying the debts and collecting any assets which may be due Mr. A. B. Man. Even in a comparatively small estate this is often no mean undertaking. As a rule, nearly all of the burdens shown in the accompanying summary are thrust upon the shoulders of the executor or administrator of the estate—almost immediately. Of course, they do not have to be paid all at once, yet, sooner or later, they have to be entered upon the credit side of the final account of the executor or administrator. The estate cannot be closed until it is filed, and it is always an expensive proceeding to keep an estate open any longer than is absolutely necessary.

Is it to be wondered that Mr. A. B. Man's estate begins to shrink at once? The total of even half of these items is very often a sum which, under present conditions, can easily wreck or at least badly diminish the average estate.

? **You would not hesitate to act if your Business were not properly financed.**

Why not take the same attitude toward your Estate? ?

It is impossible to dwell upon these items in detail here. Most of them are, in a general way at least, self-explanatory. Two of them, however, I consider to be worthy of especial notice.

Though Mr. A. B. Man die, his taxes do not cease—immediately. They are very much like a snake in that they are quite liable to twitch for some time before they completely expire. Furthermore—the fact that at this writing there is a proposal before Congress that a heavier Inheritance Tax be imposed upon tax-exempt securities than other obligations, gives cause in itself for consideration by Mr. A. B. Man as to the type of the securities best suited for his estate today. It is my impression, that the United States Supreme Court would uphold the constitutionality of such a law. However, we now have a Federal Estate tax, to say nothing of the Inheritance Taxes of the various States. Remember, too, that the latter covers property of non-residents as well as residents. Above all, do not forget that these taxes constitute a first lien, and their payments enforced regardless of the needs of wife, children or other testamentary desires definitely expressed by Mr. A. B. Man. What! The provisions of his carefully drawn will defeated or ignored? Certainly. Take care, lest the $50,000 flat exemption in the Federal Estate Tax mislead you into believing that the States will not bother with any estate under that amount.

Penalties on Delayed Tax Payments

Some states allow a discount for the early payment of taxes, and about all of them exact a penalty if payment is not made on or before the statutory date. As a general rule, ALL taxes in his OWN State become due and payable one year after the approval of the bond of the Executor or Administrator. The latter then becomes personally liable for the payment of all taxes on the assets of the estate. Very often, Mr. A. B. Man's estate will contain a goodly portion of securities of corporations organized in other states than his own. Broadly speaking, those States will levy a non-resident transfer tax (which often ranges anywhere from 2% to 30%) upon the securities that pass from the Executor or Administrator to other holders, and sometimes more than one State exacts a tax on the transfer of the SAME security.

In 1921, the Estate and Inheritance taxes levied by the Federal Government and the several States totalled more than two hundred million dollars! The State of New York (year ending June 30, 1921) received over $18,000,000, and California about $6,000,000. In the Commonwealth of Massachusetts almost $6,500,000 was received of which over $1,300,000 was taken from the estates of women. Thus are estates affected—whether in the East or West—whether of men or women (my use of the words "Mr. Average Business Man" being merely indicative of that part of our great population which I consider to be most seriously concerned in the matter).

May I speak for a moment upon one matter of extreme importance when considering the financing of your estate? I refer to the current family and personal obligations of Mr. A. B. Man which are found to be outstanding at his death. Once more, let me speak from solid experience. It is a sad, but recognized fact that embarrassing indebtedness frequently arise after the will has been made, but Mr. A. B. Man lets his will stand as drawn, in the expectation that the unforeseen indebtedness will, in the course of business, or by some other means, according to its nature, disappear. Well, sometimes it does—and extremely often it does not. He dies—at the wrong time—and his executor is left to struggle with the problem, and to find as satisfactory a solution as is possible. He must (in the absence of sufficient Life Insurance payable directly to them) finance the family of Mr. A. B. Man until the income from the estate is available, to say nothing of finding money for the upkeep of properties or to meet credit obligations made by Mr. A. B. Man before he died. Nor would even Life Insurance payable directly to the family be legally applicable to the last two probable expenses just mentioned.

If I have made myself clear so far, the need for ready money by an Executor or Administrator is obvious. The readers of this article have only to examine the Probate records in their own county if they doubt my assertion that the estate of Mr. Average Business Man of today will show very little ready money—in proportion to the size of his estate. The average estate inventory presents a peculiar picture, and very often a most deceiving one. There will be a house and lot—a lot with no house—some "left-over" Liberty Bonds—a share in a club—some good stocks and some stocks listed as of "uncertain value." There will be some excellent bonds (except possibly for marketability)—and perhaps a few mortgage notes. Last but not least, there is the interest in his business—which may or may not be of readily marketable value. At all events, it is bound to be of uncertain immediate value.

The Executor's Dilemma

The executor glances from this inventory to the list of family dependents, then to the list of probable, immediate estate burdens. He scratches his head in perplexity. Two paths seem to stretch before him, and he is tempted to first walk upon one—then the other. Finally, he wonders if, after all, it would not be the best plan to straddle them!

First—he can borrow the necessary immediate money as he needs it. There is ample security. True, but the estate of Mr. A. B. Man is tied up enough as it is—and money borrowed means money to be repaid. It means interest at good rates—another estate burden. He wishes to decrease rather than increase these.

Well, the obvious way out of the difficulty is to sell part of the assets. Why not? That depends upon the amount of sacrifice involved. Then sell assets which will not involve a sacrifice? By all means,

(*Please turn to page* 733)

HERE ARE SOME OF THE BURDENS THROWN UPON THE ESTATE OF MR. A. B. MAN ALMOST IMMEDIATELY AFTER HIS DEATH

1. **The expenses of Mr. A. B. Man's last illness and burial.**
2. **Probate costs and other Statutory fees, whether he left a will or not.**
3. **Executor's fee if he left a will, otherwise Administrator's fee.**
4. **Trustee's fee if a trust is expressed or is implied by the Court.**
5. **Attorney's fee.**
6. **Taxes:**
   a. **City, town and other municipalities.**
   b. **Balance of Income Taxes, both Federal and State.**
   c. **Federal Estate Tax.**
   d. **State Inheritance Tax.**
   e. **State Inheritance Tax on the transfer of a non-resident's property. Many States may be involved here.**
7. **Current family and personal obligations of Mr. A. B. Man which happened to be outstanding at the time of his death.**
8. **Maintenance for wife and children until the proceeds of the estate become available upon the filing of the final account.**
9. **Miscellaneous items which occur in almost every estate, and which no one can accurately foresee or foretell.**

Letters from a Hard-Boiled Financier to His Nephew

By BARNARD POWERS

> ## HUMOR AND PHILOSOPHY FROM "UNCLE HENRY'S" PEN
>
> "I wanted to go to Saratoga Springs but your aunt said Maine so we compromised on Maine."
>
> "A very old and very wise clergyman said to me years ago: 'My boy, if you must pretend, pretend to others. But never pretend to yourself'."
>
> "If a man can't earn money for himself it's a Russian rouble to a doughnut he can't earn money for you."
>
> "I haven't anything against speculation *as speculation*. As a matter of fact, we all speculate from the cradle to the grave. Life, love, business—every line of human endeavor contains something speculative."

8—In which Uncle Henry describes an animal in the Wall Street menagerie known as the "unconscious speculator" and incidentally puts the Indian Sign on one Joseph Huntley.

Poland Spring House,
Poland Springs, Me.,
June 3, 1923.

Dear Tyler:

As you see by this letterhead we have deserted the flats of Florida for the hills of Maine. I wanted to go to Saratoga Springs but your aunt said Maine so we compromised on Maine. Sometimes I think man lives long and learns little. Next time I'll insist on Maine first and then I'll be certain of landing in Saratoga Springs.

In looking over the list of investments which you made from your last quarterly allowance, I notice several highly speculative bonds. And I wonder whether you are not becoming an "unconscious speculator." Of course, all speculators become unconscious sooner or later, but that is not the kind I mean. The unconscious speculator I have in mind is the individual who pretends to himself that he is investing, while in reality he is speculating, or more often than not, merely gambling. His case is worse than that of the "sleeping investor" for he takes more risks.

Harvey Chew, president of the Marine National Bank, was a typical case of the unconscious speculator. On collateral loans and similar banking matters he was the fourteen-minute hen fruit. He took a fierce pride in never taking chances in a business way, and I know he thought a lot more of his reputation for being "ultra conservative," than he did of all his titles and degrees. But at heart he was a speculator.

Now, I haven't anything against speculation as speculation. In fact, we all speculate from the cradle to the grave. Life, love, business, every line of human endeavor and ambition, contains something of speculation. The point is, that you must always realize exactly what you are doing. The gambler who thinks he is a speculator is unprepared for the risks of gambling, and the speculator who hoodwinks himself into believing that he is nothing more nor less than an out-and-out investor, is unprepared for the risks of speculation.

A very old and very wise clergyman once said to me years ago, "My boy, if you must pretend, pretend to others. But never pretend to yourself." Wall Street is full of self-hypnotists, and that is one, but by no means an unimportant reason why so many make a hash of their speculative and investment commitments.

Mention stocks to Chew and he would snort like a wounded water buffalo. You might as well have tried to get a Baptist deacon to take a flier on the ponies as to get Chew to buy any kind of a stock. But the word "bond" has a magic all its own. He never could see that some bonds are more speculative than some stocks, or that some stocks are sounder investments than many bonds.

Every now and then he would take on a block of bonds which were selling fifteen or twenty points below par and congratulate himself that he had made a shrewd investment. He talked yield and all that, but what he was really thinking about was the fifteen or twenty points profit that he was "sure" he would make when the bonds recovered in the market. In other words, he pretended to himself that he was investing, while in reality he was speculating. Of course, occasionally, some of the bread he cast upon the financial waters came back in the form of cake, but his average was pretty low. He left a lot of money when he died, but one third of his estate consisted of bond junk that was hardly worth the paper it was written upon. He was the best example of the unconscious speculator I ever knew.

Now if Chew had said to himself when he bought those doubtful bonds: "I realize that I am speculating, and if they don't go my way shortly I'll take my loss and get out," he would have saved several hundreds of thousands for his heirs. Moreover, he might even have made money on his speculative bonds by following the simple rule of cutting losses short and letting profits run. But the simplest rules are sometimes the hardest to follow. In isn't so much that most persons don't know what to do in Wall Street as that they don't do what they know they ought to do.

"Don't do as I do, do as I say," a great Wall Street operator once remarked to a personal friend, and there is a whole volume of psychology in that remark.

Another danger which I wish to caution you against is that of trusting too implicitly to big names. That applies to corporations as well as individuals. Just because you have purchased securities in an old-line company that has been successful for years doesn't mean that the company is going to continue to be prosperous forever. And just because you are hooked up with a man with money and brains, doesn't mean that he is infallible. New England is strewn with wrecks of financial fortunes because the owners just couldn't believe that the old New Haven could possibly pass its dividends. I once had a small account in a brokerage firm that failed for twenty millions because the partners trusted a very rich man implicitly. When the pinch came that millionaire quietly laid down on his obligations. The circumstances were unusual, to be sure, but the moral is none the less clear. *Watch that basket with your eggs in it.*

In reference to your idea of going into the bond business with Joe Huntley I am not in favor of it.

In the first place, I never did like to go into a deal with any fellow who runs a racing stable. Maybe I'm sort of old-fashioned and all that sort of thing, but you'll find it isn't such a bad rule at that. Maybe their horses don't run backward, but that's more than you can say for some of the stock that some of those racing

(Please turn to page 723)

> If you are not reading Hard-Boiled Hobbs' letters to his nephew in Wall Street you are missing a rare treat of pungent philosophy and wit and wisdom.

How Much Will Declining Oil American

A Story in Which ican Oil Securities

ONE thousand million barrels of oil have been taken from ground in the Republic of Mexico. It is impossible to visualize that amount. The total value of Mexico's crude and the refined petroleum products of the last thirteen years, is well over a thousand million dollars. Taxes on that tremendous production have been the mainstay of the Mexican Government. Less than 2% of the entire capital utilized in the development of the Mexican oil fields is Mexican money. America, Great Britain and Holland have supplied the necessary funds, ranking respectively in amounts furnished.

That oil development has provided employment for thousands of native Mexicans and given an excuse for the existence of hundreds of Mexican officials. The various Mexican régimes have shown their appreciation by lying awake nights to figure out how they could commandeer still greater percentages of the profits of foreign capital. That is one of the principal reasons why the sun of oil in Mexico is so close to its setting.

Run your finger down the eastern boundary of our southern neighbor, where it impinges upon the blue-green waters of the Gulf of Mexico, and you arrive at the name "Tampico" printed in bold type. A little farther south and "Tuxpam" holds your attention. These are the two great sea outlets for the oil arteries which extend back to the fields about twenty-five miles from the coast. The distance between them, as the Mexican vulture flies, is approximately one hundred miles.

About fifty miles south of the Panuco River begins the famous "Golden Lane" which has produced approximately 85% of all the oil that has come out of Mexico. Extending for a distance of about fifty miles in a southwesterly direction to the north bank of the Tuxpam river, the Golden Lane varies in width from 400 to 1,000 yards. At the most, therefore, the Golden Lane is less than a quarter of a mile wide. Along its length are scattered those tremendous oil pools which made the Golden Lane the Comstock Lode of oildom. Their names are familiar to all with a passing knowledge of the oil indus- of oil that shot heavenwards carried tools, try: Dos Bocas, Tepetate, Chinampa, Amatlan, Zacamixtle, Toteco, Cerro Azu Alazan, Potrero, Chapopotec, Tierr Blanco and lastly Alamo.

It was in the Dos Bocas field that th venturesome bit of the Mexican Eagle O Company proved to be the Aaron's ro that started the flood of liquid gold whic has never ceased to flow since that meme- rable day in 1908 to the present time. Th oil fields of Mexico are unlike those foun in any other part of the world. They con- sist of enormous pools of petroleum con- tained in a porous limestone, a couple o thousand feet down in the bowels of the earth, capped by an impervious materi known as "marl" and underlaid by salt water. All of them are under tremen- dous gas and hydrostatic pressure which requires the utmost human ingenuity to control.

This last fact the drillers of the Dos Bocas discovery well learned to their sor- row. The well came in with the roar of a Big Bertha, and the gas-driven column casing and derrick skyward in irresistible flight. The country was drenched with oil for hundreds of yards. The well quickly took fire from the boiler which operated the drilling tools. The resulting conflagration was one of the most

1. **First indication of oil at Cerro Azul No. 4**
(Note thin vapor rising from top of derrick)

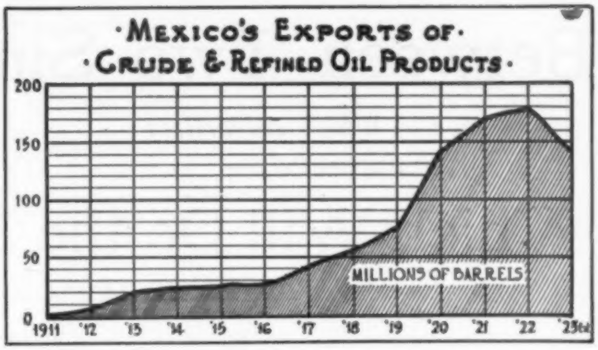
2. **More oil!**
(Mexican petroleum photographs)

3. **The well at its maximum flow before being closed in 260,858 bbls., 24 hrs.**

Six Important Phases of Bringing in and

Mexico's Rapidly Output Help Producers?

All Holders of Mex- Will Be Interested



awesome that the eye of man has ever witnessed. Escaping gas and oil whistling from the bowels of the earth and unconfined by casing, constantly widened the diameter of the drill hole until it was a hundred yards across. As fast as the oil came in contact with the air it burst into flames. It was impossible to approach closer than within half a mile of the well. For a hundred days the well burned until it died down, drowned by the uprush of salt water which marks the end of every Mexican oil well. There is no way of calculating the financial loss. It may well have been a hundred million dollars or even more. Thus was Mexico's great oil era inaugurated.

Later drillers profited by the disastrous experience of the discovery well. They came provided with adequate tools and carefully cemented their casing all the way down. In fact, this cementing operation became the Mexican law.

The Oil Rush

The pioneers in the development of the Mexican oil fields were the Mexican Eagle Co., representing the Lord Cowdray interests and the Mexican Petroleum Co. of E. L. Doheny. The former operated chiefly in the Dos Bocas and Potrero del Llano fields and the latter in the Cerro Azul district. Being first on the ground, they had the inestimable advantage of being able to protect their wells by leasing all adjacent property.

Following them came an oil rush which can only be likened to the gold rush to California in 1849. Within a few years, practically every company in this country and abroad, of any importance, had either production or acreage along the Golden Lane—Sinclair, Standard of New Jersey, Mexican Seaboard, General Petroleum, Texas Co.—the total list would be a "Who's Who" of the oil-producing industry. Many companies, like Atlantic Gulf & West Indies, were caught by the fever and deviated from their legitimate business to engage in the highly speculative oil game. Before many months, most of the newcomers wished they had stuck to their own knitting. Outside of the two pioneers, Mexican Eagle and Mexican Petroleum, it is doubtful whether any of the big oil companies which went into the Mexican fields, have made any considerable net profits. Only a few weeks ago, Mexican Eagle, the oldest and biggest of all, with $100,000,000 of invested capital, passed its dividends for the first time in its history.

Too Many Straws in the Glass

The simile of a dozen straws in one glass of soda water has been used many times to illustrate what happens when there is an oil rush. The heavy oil fields along the Panuco River to the north were scornfully passed by the big companies attracted by the richer oil of the Golden Lane. Each hastened to thrust as many straws as possible into that soda glass. The eventual result was inevitable.

As stated before, each Mexican oil pool is underlaid by a body of salt water. The faster you allow the gas to drive out the oil the more disturbance you create and the sooner salt water makes its appearance. With the producers treading on each other's heels in the northern end of the Golden Lane, it was but a question of time before salt water made its appearance. Everyone bent his efforts to get out the most oil possible in competition with his neighbor.

Early in 1919, Wall Street was startled by the report that Island Oil's Tepetate No. 9 well had gone "salt." The report at first met with strenuous denials, but

(Please turn to page 717)

4. Valve partially over well

5. Valve completely over well

6. The well under control

Controlling a Once Great Mexican Gusher

Between Two Similar Companies—

One of Which Advertises Extensively— | *The Other of Which Advertises as Little as Possible—*

Which Will Do the Most for Its Holders?

By JAMES W. MAXWELL

WHEN Mr. C. W. Post left his accustomed haunts for a laboratory in Battle Creek, Michigan, so the story goes, he had one object above all others in life. That was to devise a form of food which would be nourishing at the same time that it was harmless to the internal organs of a dyspeptic. For Post was a dy peptic. Indeed, his health had reached a point where it was doubtful whether or not he would live.

Post was successful in his research. That is to say, he evidently did discover how to treat cereals so as to render them palatable and digestible even for those whose digestive apparatus had broken down.

With his greatest purpose achieved, and his own span of life correspondingly prolonged, Post then adopted a new purpose. That was to popularize his food preparations among the people of the United States, and, for that matter, of the world.

This was back in 1895—or nearly thirty years ago—at a time when the nation's habits were totally different in many respects from what they are today, and especially different in the matter of breakfast foods. Pancakes, sausages, coffee and hot bread were the traditional morning meal. The New England Breakfast of doubtful memory was at its height.

It was also the time of small newspaper circulations and purely haphazard advertising methods. If advertising had developed very far as a means of getting business, the results were not readily apparent. If American business men had even begun to realize the possibilities of wise, aggressive and tasteful advertising, they gave little evidence of it.

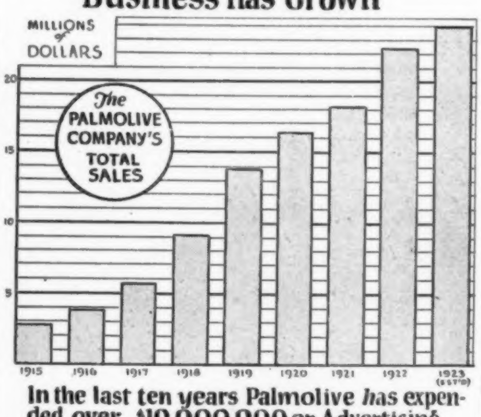
Therefore, when C. W. Post determined to sell his new-found product to the American people *largely through advertising,* he literally amazed his contemporaries. It was sufficiently absurd for him to dream of changing the nation's eating habits—and that in respect of its most important meal; it was arrant lunacy to presume that any such revolutionary change could be effected through advertising.

Evidently, Mr. C. W. Post was a man of rare obstinacy—or possibly he was a man of remarkable foresight. At any rate, he not only ignored the warnings as to where his advertising campaigns would lead, but he went at advertising with redoubled fervor. With the advertising specialist not yet extant, as a species, he even prepared every detail, down to the writing of his "ads" himself.

What his results were, we sophisticates of a more enlightened age can readily imagine. A large section of the American public woke up one morning to find itself confronted, almost at every turn, with the "Postum" broadsides. From street-cars, newspapers, bill-boards, magazines—everywhere, the Postum Cereal products blazoned forth. It was as difficult *not* to know of Postum as, without any advertising, it would have been difficult to know of it at all.

The results in dollars and cents were amazing. Postum Cereal earned great sums from the very start. By 1919, it had developed into a concern doing a business of more than 21 millions of dollars in a year.

How One National Advertiser's Business Has Grown



In the last ten years Palmolive *has* expended over $10,000,000 on Advertising

Up to 1923, Postum had spent a total of well over $30,000,000 in advertising campaigns. Nothing has transpired since to indicate any tendency upon the part of Mr. Post's successors to discount the business-building power of advertising.

The Case of Palmolive Soap

The Palmolive Company was formed with a small capital in 1864 to manufacture toilet soap. This soap was to be made from various attractive ingredients, including palm, olive and cocoanut oil.

From the beginning the corporation was successful. It offered a product which filled a need at the same time that it presented a unique appeal. Thus, true to Emerson's injunction, it found favor with the world.

However, there is something in Palmolive's record which suggests something more than the goodness of the product. That is the fact that, in 1915, the sales were over three times greater than they had been in 1907, while in 1923 they were probably twenty times as large.

How account for this? Partly, as we have said, by a normal growth in public appreciation of an excellent product. But more substantially, perhaps, by the world-wide advertising, steadily increasing in aggressivenes, vigor and charm, which the company had employed. Indeed, President Pearce has said as much in his recent statement, "The success of our business is due primarily to our policy of manufacturing only products of unusual excellence backed by a strong, loyal organization, by aggressive sales methods and world-wide advertising."

Palmolive, in the last ten years, has spent approximately $13,000,000 in advertising, or about $1,300,000 a year. In 1915, its total sales were 2.7 millions. In 1923, they were over 22 millions. Thus, the amount by which its yearly sales today exceed those of ten years ago is very much greater than the total amount expended on advertising through the entire decade!

Wrigley's Forty-Million Dollar Expenditures

Back in 1910, William Wrigley, Jr., after a good many years in chewing-gum business, determined to expand his operations.

The chewing-gum business had long since established itself as a money-making enterprise. There were many competitors in the field. Yet the belief was hardly general that the commodity could be popularized in classes high, low and medium, or that its manufacture could be made the basis of a corporation worth several millions. It was, in some opinions of the day, a product with a distinctly limited appeal, and there were boundaries to its sale beyond which it was foolish to hope to go.

William Wrigley thought differently—or, to be more accurate and less grammatical, he "*knew* different." If chewing gum was popular among thousands, he reasoned, then it could be made popular among hundreds of thousand; and if pop-

ular among hundreds of thousands, there was nothing to prevent its market growing into the millions; and if millions, why not tens of millions? Especially was this so, he reasoned, since gum was one of the few manufactures which could be retailed at a tiny price—a few pennies. All that was needed was to get the commodity's appeal *across*.

Thereupon, Wrigley embarked on one of the most colossal advertising campaigns ever broached in this country. He fairly plastered the land with his broadsides. Newspapers, magazines, electric signs on buildings, billboards, street-car cards: Not one established means of contact between his plant and his public went unused.

To illustrate the lengths to which Wrigley went in his use of individual mediums, it is only necessary to cite the famous electric sign which glittered and twinkled every night for years from atop a famous building in the Times Square section of New York City. It cost the Wrigley Co. upwards of $100,000 a year to operate this one unit alone.

To illustrate how far he went in his total advertising appropriations, it is only necessary to compare advertising expenditures of the Wrigley Co. in the period from 1910 to 1923 with those of its predecessor companies between 1892 and 1910: According to an official statement recently made public the Wrigley organization expended approximately $3,000,000 in advertising prior to 1910, whereas, in the thirteen succeeding years to 1923 it expended close to $37,000,000!

How successful the Wrigley Co. has been is a matter of common knowledge. Its output has steadily increased until today its original Chicago plant has reached a capacity of 280,000 boxes of chewing gum a day, each containing twenty 5-cent packages. In other words, this Chicago plant's output has a retail value of $280,000 a day, or, in a 300-day year, of $84,000,000. In addition, the company operates a large Brooklyn plant with an output of about 70,000 boxes a day. Its selling organization has attained world-wide scope. How its earnings have grown is suggested by a comparison of net profits for each year from 1917 to 1922, inclusive, as follows: 3.9 millions, 4.3 millions, 6.2 millions, 4.2 millions, 4.9 millions, 6.9 millions.

The Wrigley Co. at the present time is spending over $4,00,000 a year for advertising.

Did you ever hear of Cascarets? Or Bayer's Tablets of Aspirin? Or Danderine? Or Diamond Dyes? Or Phillips Milk of Magnesia?

We might put the question differently: Can you imagine *not* having heard of these products?

Of course, everybody has heard of them. Everybody has read of them. They are articles in common household use whose names have been fastened indelibly upon the public mind through years of intensive and extensive advertising of nation-wide scope and appeal.

But did you know that these products—and many others like them—are manufactured under the auspices of one of our leading corporations—a corporation which ranks among the leaders in scope and earning power?

Sterling Products, Inc., is the corporation's name. It has outstanding, aside from a small issue of preferred stock, 603,282 shares of common. These shares sell on the N. Y. Stock Exchange today around $62. In other words, the public puts a value on the corporation of more than $37,000,000! The corporation in 1922 sold over 12.6 millions' worth of its various products. In the first half of 1923 its sales exceeded 9.3 millions, indicating a large increase in results over any previous year.

Unfortunately, no figures are available as to the amount of money expended by the Sterling Products Co. for advertising purposes. Nevertheless, with its broadsides and billboards and car-cards facing you almost wherever you turn, it is a safe statement that Sterling Products is one of the largest buyers of advertising space in the country.

Where It All Leads

Where does all this lead? We have shown that four of the country's largest corporations expended enormous sums in advertising. We have shown that they are increasing, rather than decreasing, their advertising appropriations. Well, what of it?

Simply this: That the use of advertising as a means of business-building in the decade just past in which advertising has had its greatest growth has, as our examples show, more than fulfilled the highest estimates put on the power of advertising by those who have championed it from the beginning.

One could not gather from the examples that have been cited that a poor product, unworthy of public patronage, could still be "put across" by strong-arm methods. Such a product might go over—for a time, but sooner or later its defects would become generally known, and the reaction would undo the whole effort.

One could not gather, either, that the mere use of advertising space, with the

(*Please turn to page 723*)

Some Interesting Facts About Advertising

What We Spend On Advertising in the U. S.*

(In millions)

Newspapers	$600
Direct Advertising	300
Magazines, etc.	150
Trade & Farm Papers	97
Electric Signs, etc.	30
Miscellaneous	107
Total	$1,284

* Based on a recent estimate by Edward Bok.

Huge Appropriations by Individual Companies

The Palmolive Company has spent approximately $13,000,000 in the last ten years.

Since organization, Wm. Wrigley, Jr., and predecessors, have spent over $40,000,000 on advertising.

Up to 1923, Postum Cereal had spent over $30,000,000 on advertising.

THE FAMOUS WRIGLEY ELECTRIC SIGN

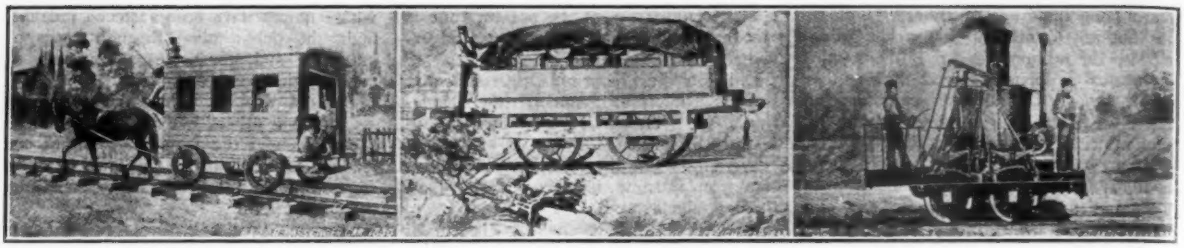
Which gleamed and twinkled over a famous building in Times Square for more than seven years at a cost of $100,000 a year. The sign was 50 feet high, 200 feet long and contained over 18,000 bulbs

How Often Have You Seen These Names?

Grape Nuts
Palmolive Soap
Spearmint
Diamond Dyes
Danderine
Postum

What Are Good Will, Patents, Etc., Worth?

Postum and Palmolive carry their patents, good will, etc., at only $1.00. But Wm. Wrigley, Jr., values its good will at $6,000,000, and Sterling Products sets a value of $10,000,000 on this item.



How Will the Recapture Clause Decision Affect Railway Securities?

By JOSEPH M. GOLDSMITH

THE Supreme Court of the United States has recently upheld the constitutionality of the recapture of excess railroad earnings as provided for in the Transportation Act of 1920. The decision declares valid this vital section of the rate-making machinery as set up by the Act. In addition, it propounds certain fundamental principles regarding the rights of private property which is employed in a semi-public industry that should have far-reaching effects on the course of future regulative legislation. It clearly indicates that the courts are prepared to go much further than ever before to protect the public's interest in private undertakings that intimately affect its welfare.

AS outlined in this article, the recent decision of the United States Supreme Court in regard to the so-called recapture clause of the Railway Transportation Act of 1920 will ultimately have an important effect on the destinies of railroads and railroad securities. Though the practical effects, so far as the immediate future is concerned, are largely vitiated by the fact that final property valuations of the carriers have not yet been set forth by the Interstate Commerce Commission, except in a few instances, nevertheless the Supreme Court decision is of the utmost importance in indicating the possibility of a material step forward toward stabilizing railroad credit, particularly that of the weaker lines.

SECTION 15 A The Transportation Act was the first piece of constructive railroad legislation that has been passed in many years. It sought to build up a system of railways prepared to handle promptly the country's growing traffic. The prime requisite is necessarily the restoration of railroad credit. Only in this way can the carriers obtain the new capital needed for expansion.

The much-discussed Section 15 A is designed to accomplish this purpose. In substance, it directs the Interstate Commerce Commission to establish rates which will enable the railroads to earn a fair return on their property used in the service of transportation. The Commission is left to determine from time to time what percentage of the aggregate property value constitutes a fair return, but for the two years beginning March 1, 1920 it was set at 5½%, plus an additional ½%, which the Commission in its discretion might add.

In 1923 eleven important railroads earned in excess of the 6% return permitted on the Interstate Commerce Commission valuation of properties. These roads are:

Atlantic Coast Line,	*B. & O.,*
Ches. & Ohio,	*Cleve.-Cinn.,*
N. Y. Central,	*Chic. & St. Louis,*
Pere Marquette,	*N. Y., Chic. & St. Louis,*
St. Louis & San Francisco,	*Reading,*
Union Pacific,	*St. Louis-Southwestern.*

Paragraphs 5 and 6 of this section, which contain the so-called recapture clause, read in part as follows:

> "(5) Inasmuch as it is impossible (without regulation and control in the interest of the commerce of the United States considered as a whole) to establish uniform rates upon competitive traffic which will adequately sustain all the carriers which are engaged in such traffic and which are indispensable to the communities to which they render the service of transportation, without enabling some of such carriers to receive a net operating income substantially and unreasonably in excess of a fair return upon the value of their railway property held for and used in the service of transportation, it is hereby declared that any carrier which receives such an income so in excess of a fair return, shall hold such part of the excess, as hereinafter prescribed, as trustee for, and shall pay it to, the United States."
>
> "(6) If, under the provisions of this section, any carrier receives for any year a net railway operating income in excess of 6 per centum of the value of the railway property held for and used by it in the service of transportation, one-half of such excess shall be placed in a reserve fund established and maintained by such carrier, and the remaining one-half thereof shall, within the first four months following the period for which such computation is made, be recoverable by and paid to the Commission for the purpose of establishing and maintaining a general railroad contingent fund as hereinafter described."

COURT DECISION The question as to the validity of these provisions came up in the case of *Dayton-Goose Creek Railway Co. against the Interstate Commerce Commission.* This small line located in Texas reported a net railway operating income in excess of 6% on its valuation, and the Commission ordered it to pay over one-half of the excess. The road refused to comply and brought suit maintaining that the section of the Act under which it was directed to do so was unconstitutional. Many of the larger roads obtained permission to join in the proceedings.

Counsel for the railroads based their main argument on the contention that the power of the Federal Government to regulate interstate commerce is limited to the fixing of reasonable rates and the prevention of those which are discriminatory, and that when these objects are obtained the power of regulation is exhausted. Therefore, whatever net operating income a carrier was able to secure under this rate scale became its property, subject of course to any taxes that it might be required to pay. In the past this has been the accepted doctrine.

Chief Justice Taft, in announcing the decision, stated that "this is too narrow a view of the commerce clause. To regulate in the sense intended is to foster, protect and control the commerce with appropriate regard to the welfare of those who are immediately concerned, as well as the public at large, and promote its growth and insure its safety."

Since the roads must charge uniform rates, if the carriers of average efficiency are to earn a reasonable return, certain companies would obtain excessive net operating income. Again quoting the opinion of the Court: "The carrier owning and operating a railroad, however strong financially, however economical in its facilities or favorably situated as to traffic, is not entitled as a constitutional right to more than a fair net operating income upon the value of its properties which are being devoted to transportation. * * * * The statute declares the carrier to be only a trustee for the excess over a fair return received by it, the excess never becomes its property and the carrier never has such title to the excess as to render the recapture of it by the government, a taking without due process."

Thus in no unmistakable terms the Court asserts that the return to which an investor in a business dedicated to the public service is entitled may be limited to an arbitrary maximum. Anything above this, regardless of the fact that its rates are reasonable and have been so determined, never becomes the property of the corporation, but is recoverable by the regulative authority. A gradual extension of the business activities which can be classed as public utilities, and the application of this principle of recapture, would vitally affect the income obtainable from private property invested in many fields.

THE REVOLVING FUND The money recovered from railroads which earn more than a 6% return is to be retained in a revolving fund. This is to be administered by the Interstate Commerce Commission and to be loaned at 6% interest to carriers. It may be used by them to meet expenditures chargeable to capital account, or to refund maturing obligations. The Commission may also purchase equipment or other facilities which can be leased to carriers.

It is not the purpose of the Act to take excess income from the strong roads and hand it over to the weak, thus equalizing the rate of return. It merely utilizes the funds to extend credit to the roads not able to borrow advantageously in the open market. It is intended to supply a source from which they can obtain capital to tide over financial emergencies, or enable them to develop their properties.

This explains the rise in price of the stocks of many of the weaker companies when the decision was announced. It will not directly increase their income, but will place them in possession of credit which they otherwise would not be able to secure. Ultimately it should be of benefit to them, although a considerable period is likely to elapse before the money is actually collected and made available.

VALUATION The question of valuation has considerable bearing on the subject of recapture of excess earnings. Until the final valuations of the various railroad systems are determined, the rate of return received in a given year cannot be accurately computed. The Commission has been engaged in making a physical inventory of the transportation properties for ten years, but so far only a few final valuations have been announced. These have been bitterly contested by the roads, and until the work has been completed and upheld by the Courts it will continue to remain an important problem.

The Interstate Commerce Commission placed a tentative valuation on the railroads at the end of 1919, of $18,900,000,000. This was based on costs and prices up to 1914, and does not take account of the rise in the general price level since that time. The investments made since 1919 would bring the valuation at the end of 1923 up to $20,884,000,000. The demands of the LaFollette group that the valuation should be reduced by from 7 to 10 billions would result in confiscation. It would have the same effect as reducing the fair rate of return from 5¾%, at which it now stands plus ¼% before recapture commences, to something like 4%. It is merely another means to the same end.

A FAIR RETURN The Transportation Act limits the return which a railroad may obtain, but guarantees nothing. It sets a maximum of 6% plus one-half the excess, but assures the roads of no fixed return. In spite of the fact that the Interstate Commerce Commission is instructed to establish rates that will enable the carriers of each region to earn an adequate net operating income, it has not worked out that way.

It is impossible to tell beforehand how much net income a given rate scale will produce. The volume of traffic cannot be accurately estimated in advance, since it is dependent upon the degree of industrial activity. The cost of labor, the largest single item in the railroad's bill, is determined by a separate body, which does not work in unison with the Commission. The carriers must bid in the open market for fuel and the materials and supplies which they consume, and the prices they will have to pay cannot be foreseen. For these reasons it is difficult to establish a rate level which will result in a definite return.

Since the provisions of the Transportation Act went into effect, the railroads as a group have not secured a reasonable return on their property. In 1921, net operating income was 3.33% on the tentative valuation, in 1922, it increased to 4.14%, and in 1923, a year of record-breaking traffic, will be only a little over 5%. It is obviously of no advantage to the railroads to have 5¾% declared a fair return when they are not permitted to earn it even in a good year.

RESTORATION OF RAILROAD CREDIT The restoration of railroad credit is one of the most important problems with which we are confronted. It is true that most of the carriers can now sell bonds without paying an exorbitant rate of interest, but they are rapidly becoming mortgaged to the limit. Virtually all the railroad expansion of the last decade, that has required the issue of new securities, has been financed by increasing funded debt. The amount of stock sold has been negligible.

This condition cannot continue

(*Please turn to page 727*)

HOW THE "RECAPTURE CLAUSE" WOULD AFFECT IMPORTANT RAILROADS

(Based on 1923 Net Operating Income)

	Estimated Property Valuation	6% Return on Property Valuation	Estimated Net Operating Income in 1923	*Amount Subtracted From Railroad's Earnings to Go Toward Revolving Fund
	← In Millions →			
Atchison	$876.9	$52.6	$47.9	None
Atl. Coast Line	229.7	13.7	15.0	0.65
Balt. & Ohio	710.2	42.6	43.9	0.65
Ches. & Ohio	308.2	18.4	18.5	0.05
Chic. & Northw.	627.8	37.6	15.4	None
C.C.C. & St. Louis	254.0	15.2	17.0	0.90
Del. & Hudson	126.3	7.5	6.4	None
Erie	409.6	24.5	17.9	None
Illinois Central	498.2	29.8	24.3	None
N. Y. Central	1,197.7	71.8	72.0	0.05
N.Y., C. & St. L.	127.6	7.6	8.8	0.60
Pennsylvania	2,087.3	125.2	80.7	None
Pere Marquette	109.0	6.5	7.2	0.35
Reading	292.8	17.5	21.8	2.15
Southern Pacific	944.7	56.6	56.1	None
St. L. & S. Fran.	283.1	16.9	18.1	0.60
St. Louis Southw.	84.2	5.0	5.8	0.40
Union Pacific	666.8	40.0	41.6	0.80

* 50% of the excess of 1923 earnings over 6% return on property valuation.

The application of the principle of Recapture as set forth in the recent United States Supreme Court decision in favor of the Interstate Commerce Commission and against the Dayton-Goose Creek Railway Co. would have the practical effect of limiting the income of the larger and more prosperous systems, at the same time affording a basis to the weaker roads of improving their credit.

Wabash Railway Co.

Has Wabash "A" Discounted Road's Recovery?

Analysis of Operating Results for the Past Year — Outlook of Road and Dividend Prospects

IN more ways than one, 1923 was a record year for Wabash. Volume of traffic was of unprecedented proportions, gross revenue rose to a peak figure of 66.6 million dollars and net after all charges came to 5.4 millions, compared with a former high of 5.3 millions and but 1.2 millions in the previous year. Earnings per share were equivalent to $2.64 on the common, after $5 a share on both classes of preferred stock.

Prices of the different stock issues have reflected this improvement to quite some extent as evidenced by the advance in the Class A preferred shares to a present level of 38, or approximately 15 points above the 1923 low. The question is, however, have favorable developments been completely discounted, or is the stock entitled to a still higher market rating?

The most practical answer is probably a comparison of past operations and prices for the stock with those of today. The road was placed in receivership in 1911, and reorganized in 1915. Funded debt was scaled down, interest charges were reduced considerably, and control of the system passed into new and more capable hands. Then two years of general railroad prosperity came along and annual earnings amounted to 5.3 millions or $1.50 a share on the common in 1916, and 4.2 millions or $3.90 a share in the Class B preferred stock in 1917. Dividends were accordingly inaugurated on the Class A preferred during January of the latter year. In anticipation of this action and because of fair earnings, the stock sold as high as 60 in 1916, and 58 in the year following.

Since that time, the road has passed through a rather trying period in common with all the other carriers. Operations in the two years 1918-1919, resulted in deficits, although the government guaranty was sufficient to provide a total surplus of 4.4 millions above all charges. Dividends on the Class A preferred were passed in 1918, due to the poor showing made, but a return to private management in 1920, marked a turn in earnings. In the years 1921-1922, approximately 3.2 millions were added t surplus. Thus in the seven years following reorganization more than 17 millions were put back into the property and a working capital deficit of 14 millions was turned into net working capital of 4.3 million dollars. This has done much to increase the equity value of the stock issues, and will mean a larger valuation for rate-making purposes.

There has been no change in the capital stock subsequent to reorganization other than the conversion of approximately 48 millions of $100 par value Class B preferred stock equally into Class A preferred and common stock. At the close of 1922, but 8 millions of Class B stock were outstanding, and when this is converted, there will be outstanding approximately 705,000 shares of Class A stock and 678,000 shares of common.

Outlook for 1924

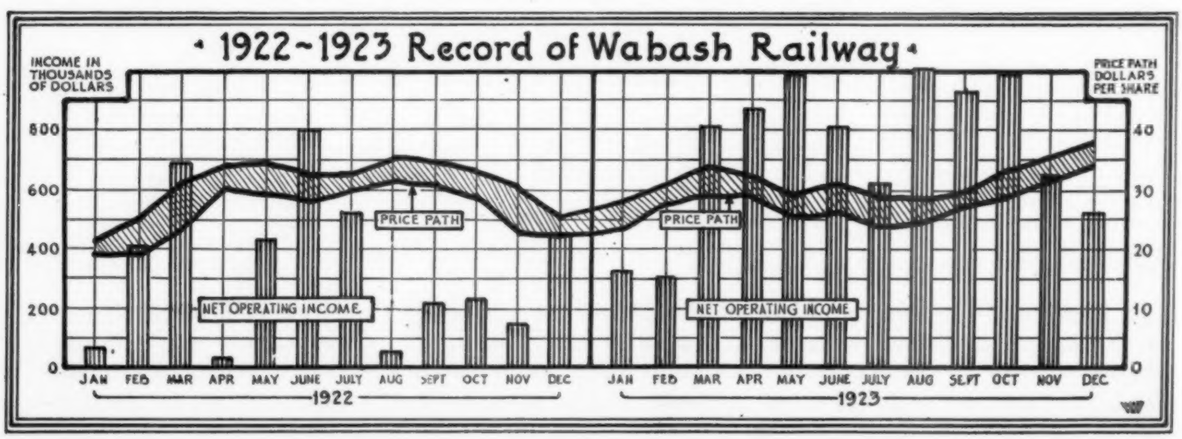
As a result of liberal expenditures for maintenance, which were particularly large during 1923, Wabash is now in a first-class physical condition. The fact is that, had it not been for exceptionally heavy maintenance of equipment expenses in the past year (due in part to the shopmen's strike in 1922), earnings on the common stock would have been more than double those reported. This should be a material factor in maintaining earnings on a favorable basis for 1924.

The territory served is enjoying a good degree of prosperity and growth, which should be translated into a continued large volume of traffic. A direct line is operated from Kansas City and Chicago to Buffalo, and branch lines run to Omaha, Des Moines, St. Louis, as well as entering Detroit and Toledo. Traffic is exchanged with the Baltimore & Ohio, and Wheeling & Lake Erie at Toledo; and at Chicago, with all the Northwestern carriers and some of the trans-continental lines.

The Dividend Prospects

Prospects for dividends on the Class A preferred naturally depend to quite some extent upon a continuation of good earnings, but the outlook in this respect is favorable. Furthermore, the financial condition of the company is better than for a good many years past. As previously stated, net working capital amounted to 4.3 millions at the close of 1922, compared with but 1.3 millions as of December 31st, 1916, when dividends were first paid. Earnings for 1923 have no doubt provided another large increase.

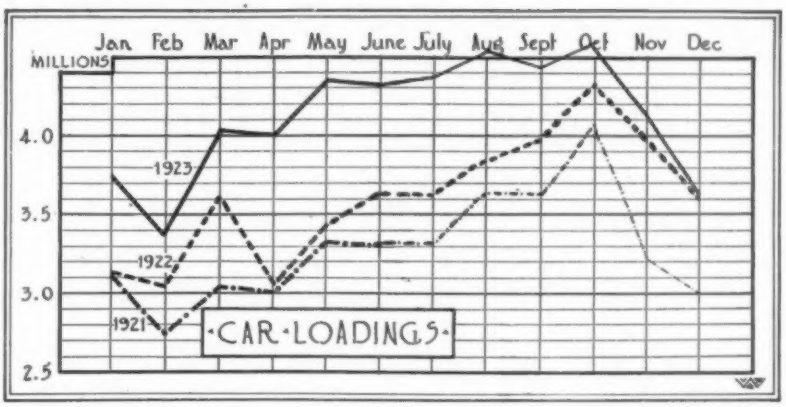
In view of favorable earnings and strong financial position, it would appear that disbursements are likely to be resumed on the Class A preferred during the current year and probably at the rate of $1 quarterly. At a present price of 40 the stock does not seem to have completely discounted this possibility.



Railroads Complete a Successful Year

Large Gains in Gross and Net Earnings Recorded—Outlook Good

By ARTHUR J. NEUMARK



ALTHOUGH there was a further sharp seasonal decline in volume of traffic, and many roads reported smaller gross and net than in December, 1922, there were further indications of savings in operating expenses, which enabled many carriers to report a satisfactory net balance. On the whole, earnings for the month of December usually furnish a poor basis of comparison, as so many adjustments are made in the last month of the year and charged to the current operating expense account. Outstanding examples of abnormally heavy write-offs in December are furnished by the reports of such roads as Philadelphia & Reading, Baltimore & Ohio, Kansas City Southern, Missouri Pacific and Chicago, St. Paul, Minn. & Omaha.

The best operating results for the year were made by the Eastern and Southern roads, the poorest showings being made by the Southwestern and Northwestern carriers.

CLASS 1 ROADS

(000 omitted)

	Net Oper. Income	*Month's Normal Earnings to Give a 5.75% Return
July, 1922	69,239	99,200
August	52,579	109,400
September	58,457	121,000
October	85,255	132,000
November	105,000	109,000
December	95,000	92,300
January, 1923	60,874	70,600
February	38,800	56,000
March	83,568	89,700
April	83,201	75,100
May	89,999	82,900
June	87,624	95,400
July	84,615	99,700
August	98,400	114,400
September	92,238	118,800
October	102,500	123,200
November	86,130	103,400

*December, 75,000.

Following the sharp falling off in car loadings during the holiday week in December, there was a moderate recovery in the first week of the new year, followed by a sharp upturn in loadings in the second week. There has been a considerable increase in business activity throughout the country, especially in steel, oil and automobile centers. Indications are that volume of traffic for the next three or four months will be very large, closely approximating the volume of business handled in the first half of 1923.

Operating expenses have been further reduced, and additional savings will undoubtedly be made as a result of lower coal prices. On the other hand, indications are that wages of engineers will be increased, following the lead of the N. Y. Central. If other roads allow similar increases, the payroll of the railroads will increase about 10%.

RAILROAD EARNINGS FOR 1923

(Other income—fixed charges estimated)

Road	Net Operating Deficit	% Charges Earned	$ Per Share on Preferred	$ Per Share on Common
Atchison	....	....	....	$15.25
Atlantic Coast Line	....	....	....	18.50
Baltimore & Ohio	....	....	....	13.40
Canadian Pacific	....	....	....	12.85
Central R. R. of N. J.	....	....	....	4.40
Chesapeake & Ohio	....	....	....	15.00
Chicago & Alton	....	....	....	2.00
Chicago & Eastern Illinois	....	....	6.00	.....
Chicago, Mil. & St. Paul	....	....	.70	.....
Chicago & Northwestern	....	....	....	3.95
*Chicago, R. I. & Pacific	....	....	....	1.22
Delaware & Hudson	....	....	....	11.55
Delaware, Lackawanna & West.	....	....	....	7.05
Erie	....	....	....	5.00
Great Northern	....	....	7.30	.....
Gulf, Mobile & Northern	....	....	8.18	1.55
Illinois Central	....	....	....	13.70
Kansas City Southern	....	....	....	3.65
Lehigh Valley	....	....	....	3.35
Louisville & Nashville	....	....	....	[6]11.70
Minn., St. Paul & St. Ste Marie	....	....	....	4.00
Missouri, Kansas & Texas	....	....	....	1.19
Missouri Pacific	....	....	0.15	.....
New York Central	....	....	....	15.25
N. Y., Chicago & St. Louis	....	....	....	9.10
N. Y., N. H. & Hartford	....	80	....	.....
Norfolk & Western	....	....	....	12.45
Northern Pacific	....	....	....	5.10
*Pennsylvania	....	....	....	[1]4.40
*Pere Marquette	....	....	....	8.00
Pittsburgh & W. Va	....	....	....	6.65
Reading	....	....	....	[5]9.55
St. Louis-San Francisco	....	....	....	6.80
St. Louis Southwestern	....	....	....	13.25
Seaboard Air Line	....	....	3.22	......
Southern Pacific	....	....	....	[3]11.35
Southern Railway	....	....	....	11.25
Texas & Pacific	....	....	....	5.00
Union Pacific	....	....	....	15.45
Wabash	....	....	....	[4]4.25
Western Maryland	....	....	[2]4.30	.....
Western Pacific	....	....	....	.20
Wheeling & Lake Erie	....	....	....	.30

[1] $50 par value. [2] On the 4% second preferred. [3] Without oil income and after capital adjustments. [4] Assuming that all of the outstanding preferred B is converted equally into preferred A and common stocks. [5] This includes total earnings of Philadelphia & Reading Rwy., all of whose stock is owned by Reading. [6] On the basis of the increased capital stock outstanding.

* On basis of eleven months' earnings.

Bonds

The New York Central R. R. Co. | *Wilson & Co., Inc.* | *The Brooklyn Union Gas Co.*

Three Good Opportunities in Convertible Bonds

An Analysis of Three Issues—Their Investment Merits and Conversion Features

This is the third of a series of articles in which the writer describes current opportunities in the bond market. Those under discussion in this article are not only well secured as to assets, thus insuring safety of principal, but also hold interesting profit possibilities because of conversion privileges.

GENERALLY speaking, convertible bonds are brought out by corporations at times when special inducements must be offered prospective buyers of securities in order to facilitate a sale. This may be due either to the condition of the market at the time of issue, or to the temporarily poor financial condition of the issuing company.

In some cases, however, particularly where the railroads are concerned, the motive behind a choice of this type of bond issue is often the desire of the management to ultimately reduce funded debt ratio, through the exercise of conversion privileges by bondholders. While the capital structure of a corporation possibly shows the wisdom of raising additional cash by means of capital stock, affairs in the security markets may be such as to make the successful flotation of a stock issue out of the question. On the other hand, a bond issue of the usual kind would mean burdensome fixed charges over a period of years. By resorting to convertibles, the corporation is able to transform fixed charges into contingent ones, changing with the extent of conversion of bonds into stock.

Now it follows that since the issuance of convertible bonds may be a sign of weakness in the financial condition of a company, greater caution is required in their selection than is ordinarily the case with regard to straight mortgage issues. A particular bond may also be selling on a conversion basis at the time of purchase, that is, at a level where its price fluctuations coincide with those of the stock. This would, of course, render it less desirable as an investment, although there may be good possibilities of enhancement in value.

The convertible bond, in actual practice, is nothing more than a long-term "call" on the security into which it may be converted. Should conditions become so favorable that large profits are being made by a company and its stock reaches a price above the conversion point, the bondholder may, at his own option, exchange his bonds for the junior securities, under the provisions set forth in the trust deed. An alternative would be to sell original holding at a profit without the necessity or bother of conversion. This would be made possible by the fact that the market price of the bonds goes upward, along with the price of the stock, once the two are selling on a conversion basis.

Of the entire number of convertible bond issues now available to the investor, but few are attractive both from the viewpoint of the assets behind them and the conversion privilege. Many stocks have such a distance to go before conversion of the bonds would be profitable that they must be excluded from consideration. Others, though commonly known as convertibles, are not such in actual fact. Their privileges have long since expired.

There are still several issues, however, that appear to offer good possibilities of enhancement in value and at the same time are both fairly well secured and offer a moderately attractive current yield. As in the case of the three low-coupon bonds discussed in the second series of these articles, the bonds chosen for discussion from among the convertible group represent different fields of business activity, and thus also offer a good degree of diversification.

New York Central Convertible 6s of 1935

Entitled to High Investment Rating

WHILE these bonds are debentures and are subject to the entire mortgage debt of the consolidated company, they nevertheless have excellent investment merits. The New York Central is one of the best-managed railroads in the country, has a long record of good earnings, and its capital stock has a present market value of approximately 300 million dollars. Compared with this large equity, the convertible debenture 6s of 1935 are authorized and outstanding in the amount of but 100 millions.

They are redeemable as a whole or in part, not less than 5 millions, on any interest date at 110 and interest on three

STATISTICAL COMPARISON OF THREE CONVERTIBLE BONDS

	Conv. into Common Stock at	Current Yield on Bond	Recent Price of Bonds	Recent Price of Stock	Conversion Priv. Expires
New York Central Cv. Deb. 6s, 1935	105	5.7%	104	104	May 1st, 1925
Wilson & Co. Conv. S. F. 7½s, 1931	(a)	7.6%	98	21	Sept. 1st, 1931
Brooklyn Union Gas Cv. Deb. 7s, 1932	(b)	5.9%	118	124	May 1st, 1932

(a) On basis of 20 shares of stock for $1000 bond.
(b) Convertible into equivalent par value amount of fully paid stock.

months' notice. Should the bonds be called for redemption they may be converted up to 30 days prior to the date mentioned in the call. Although there is, of course, a possibility of the company calling the issue, this would be much to the advantage of the holders of the bonds as the redemption price is quite a number of points above the present market quotations.

The factor of real interest about this security is the conversion feature. It is convertible into the capital stock of the company at 105, any time prior to May 1st, 1925, and in the intervening 16 months much could happen that would make the privilege quite profitable. Figured at a present price of 104 for the bonds and 104 for the stock, an upward move of but five points in the latter would place the two issues on a conversion basis. In other words, an investor who had paid $1,040 for a convertible debenture bond could, by paying $50 to the company, receive in exchange for this mount of money and his bond, 10 shares of stock, which at a market price of 109, would allow an even break on the exchange. Every point the stock moved above 109 would be a point of profit to the bond buyer.

On the whole, there seem to be good possibilities of the stock selling materially higher. The earnings of the company are estimated to have been in excess of $15 a share for the past year, and the dividend rate was increased to $7 annually. At present prices the stock yields over 6.6% compared with low yield of 5% in many previous years when earnings were by no means so favorable. With prospects for continued large earnings and a good railroad market, the issue appears to have promise of a sustained advance.

The advantage of purchasing the convertible bonds, under the circumstances, is that should higher prices for the stock fail to materialize, any drop in price of the bonds would ordinarily be small, as they are entitled to a market price very close to present quotations from the viewpoint of their investment value alone. And yet, the possibilities of profit are pretty much the same in both issues.

A current return of 5.7% that can be secured from t e convertible 6s is very desirable. The possibilities of the conversion privilege makes the issue especially attractive to one desiring both opportunities for profit and a high degree of safety.

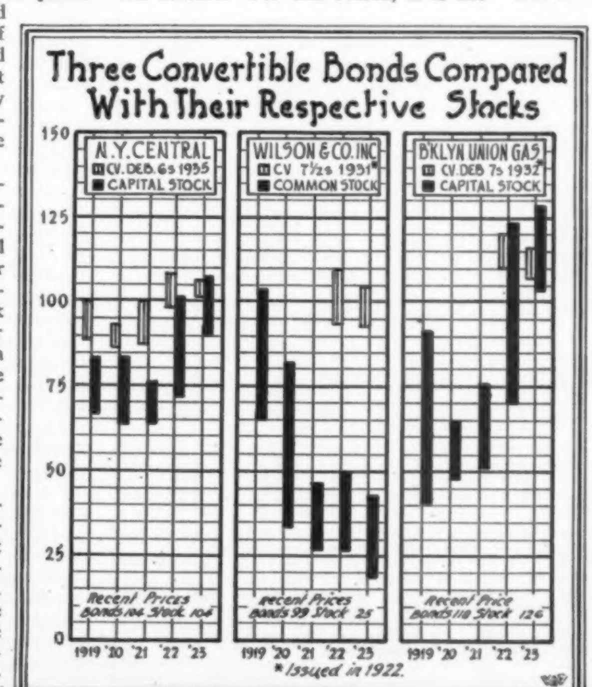
Brooklyn Union Gas 7s of 1932

Are Now Selling on a Conversion Basis

THE situation existing in regard to this bond is probably without parallel in any of the security markets of the country. At the present time, the Brooklyn Union Gas Convertible 7s are selling around 118, while the capital stock of the company into which they are convertible, in equivalent par-value amounts, is quoted at 124. The purchase of a bond would entail the expenditure of $1,180, while the shares received in exchange, have a present market value of approximately $1,240. This is a favorable difference of six points from the view-point of the bondholder.

Explanation of this undoubtedly lies in the fact that the conversion privilege does not actually become operative until November 1st, 1924. In other words, the buyer of a convertible bond cannot secure stock in exchange until that date or thereafter to maturity, and in the meantime the price of the stock could possibly drift downward to lower levels, thus eliminating the spread. Otherwise there would be a profit at the very moment of purchase.

From an investment standpoint alone, the bonds are clearly not entitled to their present market price, although apparently well protected as to assets. They are outstanding in the amount of 5.5 millions and are a direct obligation of the company but not secured by mortgage. Prior liens come to 15 millions. Market value of junior securities is 11.1 millions or more than twice the amount of the bond issue. Judging from present quotations for similar, but non-convertible securities, it would appear that this bond issue would sell somewhere around 108, were it not for the convertible feature. For this reason, it is necessary for the buyer at present price levels to be cognizant of the risk he is assuming, as regards market fluctuation.



The favorable outlook for the company would certainly warrant the belief, however, that the capital stock will continue to sell at a price sufficiently high as to make conversion of the bonds profitable. Earnings for the past year have been estimated at around $15 a share, and dividends are now being paid at the rate of $8 annually. The current year's profits are likely to be even larger as production costs are lower and danger of rate reductions has practically been eliminated by the recent court decision declaring the proposed $1 gas rate confiscatory.

Stockholders have approved a change in capitalization from $300,000 shares of $100 par value to 600,000 shares of no par, which will be issued shortly in the ratio of two for one. As provision was made for the conversion and retirement of the convertible debentures on the same exchange basis, the holders of the bonds will be entitled to 20 shares of new stock, after November 1st, 1924. Furthermore, it is predicted that the dividend rate will be raised to $5 a share on the new stock, or the same amount that is now being paid on the common stock of the Consolidated Gas Company, which is selling for $65 a share.

In short, all indications point toward higher prices for the Brooklyn Union's capital stock, and the holder of the convertible debenture 7s would most surely profit thereby. On the other hand, should the stock drop in value, there would be a similar decline in the value of the bonds for at least eight or ten points, and this matter must be given consideration before a commitment is made. **Investors who desire a bond with good spec-vestment attractions, however, could not ask for a seemingly better opportunity.**

WILSON & CO. CONVERTIBLE 7½s OF 1931

Attractive As a Long-pull Spec-vestment

THE ten-year convertible S. F. 7½s of Wilson & Co., Inc., were brought out in December, 1921, at a price of 96½ and interest. As can probably be recalled by the reader, this was not a particularly favorable period for bond offerings, and so the convertible type had to be chosen in order to attract a market. The company had also been hard hit by the extreme depression in the packing industry, and financial condition was weakened.

The convertible feature of the bonds give a call on the common stock on terms equivalent to $50 a share until the date of maturity. The outstanding amount of the bond issue totals 9.1 millions and constitutes a direct obligation of the company, though not secured by mortgage. The indenture provides that no new mortgage

(*Please turn to page 719*)

BOND BUYERS' GUIDE

HIGH GRADE (For Income Only)		Apx. Price	Apx. Yield	¶Int. earned on entire funded debt
Non-Callable Bonds:				
Baltimore & Ohio, 4s, 1948	(b)	83½	5.25	1.35
Canadian Northern Debenture 6½s, 1946	(a)	112	5.60	*
Delaware & Hudson 7s, 1930	(b)	108	5.50	2.10
Great Northern Genl. 7s, 1936	(c)	107½	6.20	3.75
New York Central Rfd. and Imp. 5s, 2013	(c)	‡97	5.20	1.65
Western Union Telegraph Co. 6½s, 1936	(a)	109½	5.60	e 8.00
New York Edison Co. 6½s, 1941	(b)	‡111	5.50	3.30
Bush Terminal Buildings 5s, 1960	(a)	92½	5.50	1.85
Callable Bonds:				
Armour & Co. of Del. 1st 5½s, 1943	(c)	91½	6.25	5.00
Armour & Co. Real Estate 4½s, 1939	(a)	85¼	6.00	....
Canadian General Electric deb. 6s, 1942	(a)	105	5.60	4.40
Duquesne Light Co. 6s, 1949	(b)	105	5.65	3.40
Philadelphia Company 6s, 1944	(c)	101	5.90	3.50
Short-Term Bonds:				
B. & O., P. J. & M. 3½s, 1925	(b)	96¾	5.25	1.35
B. & O., Southwest Div. 1st mtg. 3½s, 1925	(b)	97	5.60	1.35
Seaboard & Roanoke 1st 5s, 1926	(a)	97¾	6.00	....
Southern Pacific conv. 4s, 1929	(a)	93¼	5.40	2.40
Union Pacific conv. 4s, 1927	(b)	96	5.20	3.10
Dominion of Canada Internal 5½s, 1927	(d)	100¾	5.30	....
Bell Telephone Company of Canada 5s, 1925	(b)	97½	5.85	2.75
Aluminum Company of America 7s, 1925	(a)	102¾	5.50	....
Columbia Gas & Electric Co. 1st 5s, 1927	(b)	98¼	5.65	6.90
Rock Island-Frisco Terminal 5s, 1927	(a)	97	6.10	....
MIDDLE GRADE (For Income and Profit)				
Railroads:				
Carolina, Clinchfield & Ohio 1st 5s, 1938	(c)	94	5.60	1.45
Chesapeake & Ohio conv. 5s, 1946	(b)	92	5.65	1.55
Cuba R. R. 1st 5s, 1952	(a)	84	6.20	2.45
Chicago & Eastern Illinois Gen. 5s, 1951	(c)	78	6.75	f 1.15
Erie & Jersey 1st 6s, 1955	(a)	95	6.35	1.31
Kansas City Southern Rfd. and Imp. 5s, 1950	(a)	88	5.90	1.90
Missouri, Kansas & Texas Prior Lien 5s, 1962	(c)	82½	6.25	1.10
Minneapolis, St. Paul & Sault Ste. Marie 6½s, 1931	(a)	103	6.00	1.50
N. O. & N. E. Rfd. and Imp. 4½s, 1952	(a)	84	5.65	2.70
St. L. & S. F. Prior Lien 4s, 1950	(c)	69½	6.40	1.10
Western Pacific 1st 5s, 1946	(c)	83½	6.40	2.30
Industrials:				
Anaconda Copper Mining Co. 1st 6s, 1953	(b)	98½	6.10	g 1.25
Bethlehem Steel Co. 5s, 1936	(a)	91	6.00	2.30
Computing Tabulating & Recording 6s, 1941	(b)	100	6.00	5.50
Goodyear Tire & Rubber Co. 8s, 1941	(c)	116	6.40	5.80
B. F. Goodrich 1st 6½s, 1947	(b)	100	6.00	2.70
Sinclair Pipe Line 6s, 1942	(b)	82¾	6.65	g 2.50
South Porto Rico 1st Mtg. and Col. 7s, 1941	(b)	102	6.80	2.20
Union Bag & Paper Co. 6s, 1942	(b)	98	6.20	dd 4.00
U. S. Rubber 5s, 1947	(c)	86	6.10	4.00
Wilson & Co. 1st 6s, 1941	(a)	97	6.30	1.35
Public Utilities:				
Amer. Water Works & Elect. Corp. Col. 5s, 1934	(c)	86½	6.90	1.80
Dominion Power & Transmission 1st 5s, 1932	(a)	89	6.60	2.10
Denver Gas & Elec. 1st and Rfd. 5s, 1951	(c)	86	6.05	e 4.70
Havana Elec. Ry. Light & Power 5s, 1954	(a)	84¾	6.10	5.00
Manhattan Railway Cons. 4s, 1990	(a)	59½	6.80	g 0.90
Montreal Tramways 5s, 1941	(c)	89	6.10	g 1.25
Pacific Gas & Elec. Genl. and Rfd. 5s, 1942	(a)	92½	5.65	2.05
Public Service Corporation of N. J. 5s, 1959	(a)	82	6.25	1.75
Utah Power & Light 5s, 1944	(a)	89¼	5.90	1.60
United Fuel Gas 6s, 1936	(b)	97	6.35	5.85
Virginia Railway & Power 5s, 1934	(a)	90	6.30	1.90
SPECULATIVE (For Income and Profit)				
Railroads:				
Chicago Great Western 1st 4s, 1959	(a)	53½	7.95	0.85
Erie Genl. Lien 4s, 1996	(b)	55	7.30	1.31
Chicago, Milwaukee & St. Paul conv. 5s, 2014	(c)	57¾	8.70	1.02
Iowa Central 1st Mtg. 5s, 1938	(a)	69¼	8.80	0.80
Minneapolis & St. Louis 1st cons. 5s, 1934	(a)	67½	10.10	....
Missouri, Kansas & Texas Adj. Mtg. 5s, 1967	(c)	56	9.10	1.10
St. Louis & San Francisco Adj. Mtg. 6s, 1955	(c)	76¼	8.10	1.10
Rock Island, Ark. & Louisiana 1st 4½s, 1934	(c)	74½	7.60	....
Seaboard Air Line 4s, 1950	(a)	64	7.00	1.14
Western Maryland 1st Mtg. 4s, 1952	(a)	63	7.00	1.20
Industrials:				
Cuba Cane Sugar 7s, 1930	(c)	99	7.20	1.80
Empire Gas & Fuel 7½s, Series "A" 1937	(c)	91½	8.60	3.30
International Mercantile Marine 6s, 1941	(b)	82½	7.85	3.25
Virginia-Carolina Chemical 7s, 1947	(c)	81½	8.90	1.20
Wilson & Co. 7½s, 1931	(a)	98½	7.75	aa 1.35
Public Utilities:				
Chicago Railways 1st 5s, 1927	(a)	78	14.25	1.08
Federal Light Traction 7s, 1953	(b)	100	7.00	2.10
Interboro Rapid Transit 5s, 1966	(a)	62½	8.20	0.90
Third Avenue Railway Rfd. 4s, 1960	(b)	56	7.60	l 1.35

* Principal and interest guaranteed by Dominion of Canada. † Callable in 1951. ‡ Callable in 1936. ¶ This represents the number of times interest on the companies' entire outstanding funded debt was earned, based on earnings during the last five years. Includes government payments during period of government operations of railroads.

(a) Lowest denom., $1,000. (b) Lowest denom., $500. (d) Lowest denom., $50.
(aa) 1922. (c) Lowest denom., $100. (dd) Average last two years.

e Average last three years. f 1922. g Average last four years.
l Does not include interest on adjustment bonds.

BONDS

Market Reaches New High Levels

THE bond market continued its upward move. Whereas heretofore the principal advances have been witnessed in the speculative issues, with the high-grade bonds merely firm, the latter also joined very decisively in the upward movement, and, in some instances, prices were around record highs. Of course, the fundamental influence in the upward movement has been the ease of money rates and indications that funds will continue in supply at possibly even lower interest charges. The outlook for considerable reduction in taxes has encouraged investors to place their funds in the bond market, the present return being attractive, compared with returns obtainable in the money market.

The demand for gilt-edge issues was led by the United States Government obligations. With the large amount of funds available, Government bonds were in heavy demand by banks and financial institutions. The tax exempt 3½s were also firm. Baltimore & Ohio first 4s sold at 83⅞, New York Central refunding and improvement 5s crossed 97. The convertible debenture 6s sold at above 105. Telephone issues were especially strong, the convertible bonds of the American Telephone & Telegraph Company showing very substantial advances.

Activity was greatest in the middle grade and speculative railroad issues. Erie & Jersey 6s sold at 95, as compared with the ruling price of 88 several weeks ago. Seaboard Air Line first 4s sold at 64½, and the Consolidated 6s at 74, while there was persistent demand for all issues of these roads, as well as the Missouri, Kansas & Texas, and St. Louis & San Francisco junior bonds, especially the income 6s, which sold at 65½. International & Great Northern adjustment 6s crossed 50, and the St. Louis Southwestern first consolidated 4s also made a new high at 81.

Public utility issues, while strong, were not especially conspicuous in the trading. The New York traction bonds improved their position. The old Brooklyn Transit 4s, 5s and secured 7s, were up from 7 to 10 points. Brooklyn-Manhattan Transit 6s sold at 76½, Interborough Rapid Transit 5s at 63½, and Third Avenue adjustment 5s at 49. Brooklyn Union Gas convertible debenture 7s, sold up to 121, subsequently losing 2 points. In view of the market price of the stock, these convertibles appear attractive even at present prices. Commonwealth Power 6s were another strong spot, with sales up to 90.

Bonds of the copper, sugar and oil companies were active and strong. Cerro de Pasco 8s, and Magma 7s, led the coppers. Punta Alegre convertible 7s, sold at 114½, and South Porto Rico 7s, gained a point at 102. Eastern Cuba Sugar 7½s crossed 110. Sinclair issues were under pressure in sympathy with the news from Washington, but appeared to be well taken at the low levels. Virginia-Carolina Chemical Company 7s and 7½s continued to display a weak tone, the rallies being unimpressive.

Money, Credit and Business

Doing Our Best to Lose World Trade

United States No Longer World's Leading Money Market

By H. PARKER WILLIS

"The policy of our banks has been such as to make it impossible for the United States or for New York to retain the position as a world money market which it had assumed during the brief period of the war, and it does not now seem very likely that we shall be able to get back the position thus temporarily held and abandoned until there is a drastic difference in policy on the part of our bankers and, incidentally, on the part of the Federal Reserve System."

IN the future history of banking in the United States, very large significance will undoubtedly be given to the experience of the ten years 1913-23. During that decade, a practical test was given to certain theories of the relation between our banking system and our foreign trade which had been urgently advocated for a long time previously. Experience has shown that they were not well founded. The real truth of the conditions which gave rise to a change in our policy during the decade in question has not yet been demonstrated or widely accepted, but it is a condition which is undoubtedly worthy of most careful study.

Rise and Fall of Foreign Banks

The following table sketches in brief historical form the experience of the United States with foreign banking, insofar as it relates to some of its most prominent examples:

Year	Name	Capital	Remarks
1917	American Foreign Banking Corp.	$5,000,000	......
1919	Asia Banking Corp.	4,000,000	sold
1919	Foreign Credit Corp.	5,000,000	discontinued
1919	French-American Banking Corp.	2,000,000	......
1915	Mercantile Bank of Americas	6,800,000	reorganized
1919	Park-Union Foreign Banking Corporation	4,000,000	merged
1918	First National Corp. (Boston)	1,500,000	......
1919	Shawmut Corp. (Boston)	1,900,000	......
1920	First Federal Foreign Banking Corporation	2,100,000	......
1921	Equitable-Eastern Banking Corp.	2,000,000	......
1921	Federal International Co.	5,000,000	......
1921	International Acceptance Bank	10,000,000	......
1919	Foreign Finance Corp.	5,000,000	......

In addition to closing, selling or merging several of the little group of institutions others have largely withdrawn from business so that, as things stand, we have gone back almost to the position we occupied in 1913. The International Banking Corporation, which was then almost alone in the foreign field, is now, through the total or partial retirement of most of its temporary competitors, once more partially isolated. There are still in the field two so-called Edge Banks with limited capital, but they are so comparatively narrow in their operations as to be really negligible. Some of the other foreign banking enterprises independently organized, are either insignificant or quiescent, while the National City Bank of New York remains practically alone in the field as an American institution with a large group of actual foreign branches. **Incidentally, it is worth observing that the International Banking Corporation is owned and controlled by the National City Bank which thus occupies practically the place of chief importance in the foreign banking field.** It is also worth noting that, whereas our total foreign branches and sub-branches were at one time about 140 in number, they are now only about two-thirds of that figure.

Every Kind of Law Tried

In the days before the adoption of the Federal Reserve Act, there was tremendous agitation for two kinds of legislation: (1) a measure authorizing the use of bankers acceptances, and (2) a measure authorizing the creation of foreign branches, or of banks organized by other banks for the purpose of doing business abroad. The Federal Reserve Act sought to meet both demands, but it limited bankers acceptances to 50 per cent of the capital of the accepting bank, and confined them to foreign trade, while foreign branches were to be actual branches of existing banks not of specially organized institutions.

Immediately, there was a renewed outburst in favor of an amendment designed to permit the organization of banks jointly owned by national banks, and for the enlargement of the acceptance power to 100 per cent. Both demands were granted. Then came a call for the creation of a special kind of banking institution created for foreign trade, and the Edge Act was the result. At about the same time, request was made for authority to affiliate foreign trade banks organized under state law with the Federal Reserve System, thereby enabling them to market their acceptances more easily. The results of this series of legislative acts may be sketched as follows:

1. *Number of national banks organizing foreign branches under Federal Reserve System: about* 4.
2. *Number of foreign branches and sub-branches organized: originally* 140, *now not over* 100.
3. *Number of institutions jointly organized by banks for foreign trade or separately organized: originally, about* 10, *now* 6.
4. *Number of so-called Edge Banks organized* 3*: remaining* 2.
5. *Number of state institutions created for foreign trade:* 8.
6. *Number of such state institutions remaining active* 4.

From all this, it will be clear that such success as has been attained in the development of foreign trade, through the creation of special institutions or branches for that purpose, has been very small, and that such success is limited almost entirely to the operations undertaken under the original Federal Reserve Act.

Use of Acceptances

Although the agitation about foreign trade had made much of the necessity for bankers acceptances, as a means of financing foreign trade, it does not appear that the actual attainment in that direction has been great. We have at times had outstanding something like $600,000,000 of bankers acceptances, but a large proportion of them have been in the domestic trade and another large proportion of them have consisted of dollar drafts designed to provide exchange and not directly concerned with shipments of goods. In a general way it may be said that the use of the acceptance for the purpose of

(Please turn to page 732)

Business on Stable Footing

New Signs of Interest in Markets—Prices Rising—Wages High—Banking Situation Strong

THE growth of business during the month of January has been, on the whole, about as satisfactory as could reasonably have been expected for the mid-winter season. Compared with previous years, the month shows up exceptionally well in many particulars. Railroad traffic has increased, the steel industry has shown a decided upward swing, spring orders in many lines of staple merchandise have been reasonably good, and there has been a well-sustained financial and investment activity which has proven sufficient to maintain security values and even to put them ahead slightly. All in all, business must be reckoned as encouraging in its outlook as the winter draws toward a close.

Basic Industries Active

The month has been characterized by activity in the basic industries. Steel orders have steadily increased, and unfilled orders on the books of the United States Steel Corporation have tended upward. The action of the corporation in advancing its dividend by a 50 cents extra declaration places the stock on a 7% basis, and, coupled with the announcement that the past quarter was so good as to evidence earnings of nearly $16.50 per share for the year seems to warrant the assertions of soundness in the business that have been currently issued.

Prices have tended upward during the month, and the demand for pig iron has been better. The accompanying diagram illustrates this trend.

Demand is now coming strongly from the automobile trade, the railroad equipment companies, the building industry, and last, but not least in importance, from a reviving activity in the oil industry. This better situation in the oil industry is itself a business indication of importance as it shows that the condition of overproduction, which has prevailed for some time, is being brought more nearly under control. Prices for crude oil are rising, and there is a better attitude in the trade.

In building materials generally, demand is very good and production high, due to the initiation of preliminary work on many important contracts. Copper has risen in price, as the result of increased demand which has tended to take off the market some of the over-supply that has existed there for a good while past. There seems to be no question that the outlook in the fundamental textile trades is better than for some time hitherto, although it may not prove possible to maintain the present scale of prices either in cottons or woolens.

Commodity Prices Stable

Commodity prices continue substantially stable, although with a slight rising tendency, which thus far has not been of very much significance. The Federal Reserve Board in its January statement of business conditions shows a decline during the last available month of rather less than 1% in the wholesale price index. Within recent weeks, enough advance has been gained in most lines to more than offset that; and at the present moment it would seem that prices are rising slowly, although the weekly index of Professor Irving Fisher shows them as just about stable.

Commercial figures point to a rather stronger condition of prices, as illustrated in the accompaying diagram reproducing the Bradstreet current returns. Much question has been heard in recent weeks, as to whether prices may be expected to move upward or not. As to this, it may at least be said that all factors are now favorable to a price advance both financially and industrially. The question really is whether any significant trend or growth of demand such for example as might be afforded by restoration of active foreign trade is likely to intervene to bring about such a movement of prices. Thus far, nothing positive of the sort is as yet visible, but it is entirely reasonable to expect that a sharp price increase may yet set in at any time when the signal is given by industrial changes of the sort referred to. British prices continue to run not far from parallel to our own; although, stated in gold, they are on a lower level—a fact which has recently been referred to by British bankers with some aproval as foreshadowing a continued prosperous export trade for England in competition with the United States.

Business continues strong and in reasonable volume, domestically speaking, with prices stable, and latterly of a slightly rising tendency, while employment remains good and wages high. Costs of production are heavy, and European conditions of demand unsatisfactory, the result being still further to retard foreign trade and hence to prevent us from developing the outlets for merchandise that we need. Banking and financial conditions are strong, money abundant and reasonable in price and conditions for new financing excellent. The net result is a favorable commercial and financial outlook for coming months with a possibility of greater activity should certain factors move favorably to expansion.

Money and Credit Abundant

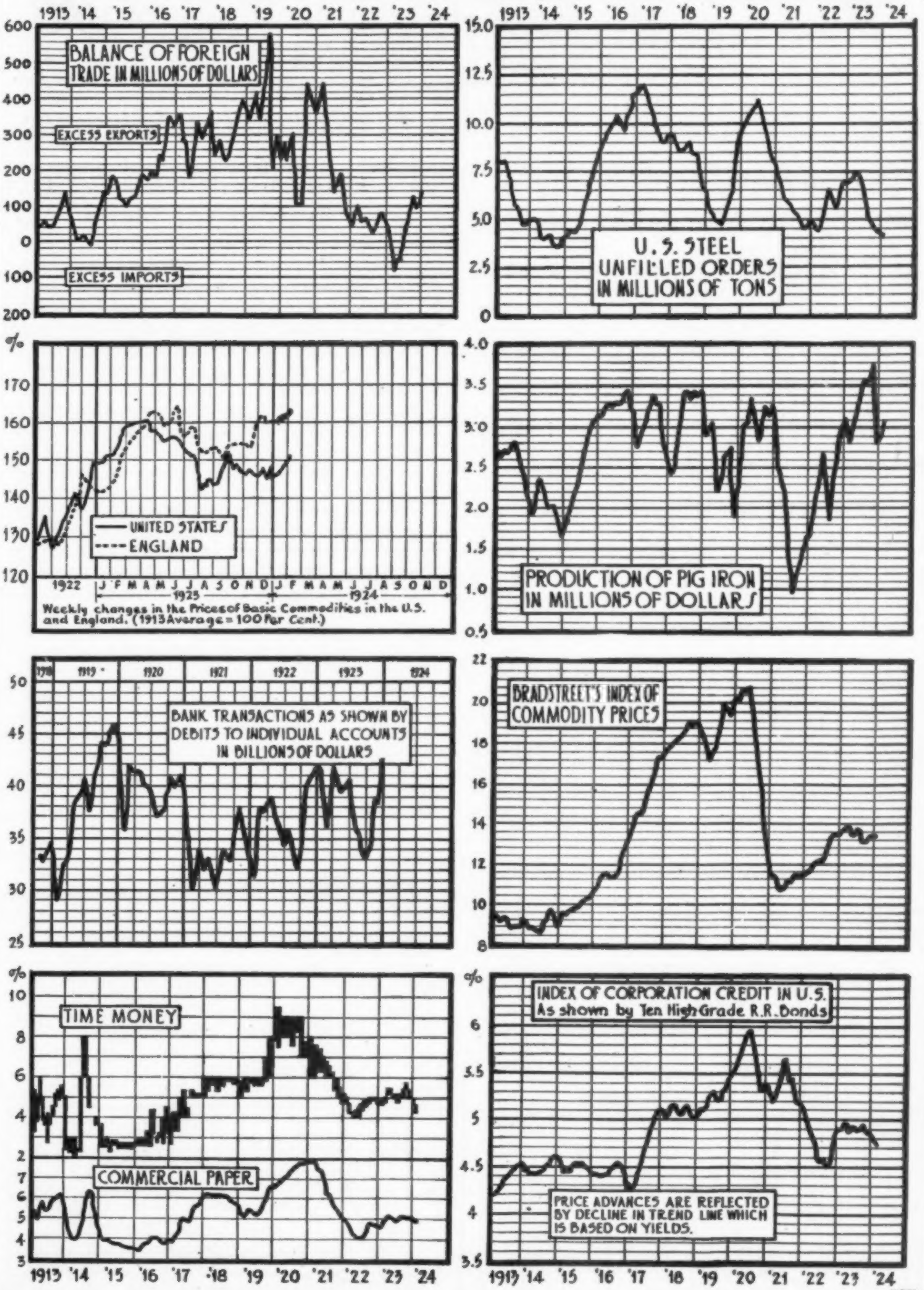
Partly owing to the stability of prices and the apparently solid condition of trade, free of inflation and free of undue depression, the money and credit situation has continued to grow easier. During the past month, an unusual abundance of funds has been present in financial markets, and the tendency both of call and time funds and of commercial paper has been distinctly downward. In the years before the war, any such abundance of available resources would have caused a break in rates, and the fact that it has not done so now is largely due to the circumstance that Federal Reserve policies, and the more stabilized banking situation growing out of them, tend to hold matters on a firmer basis and to prevent extreme fluctuations that might otherwise have occurred. With about $3,200,000,000 of gold in Reserve Banks and a ratio of reserve of about 80% while member banks are discounting only very moderately, the situation in the market is necessarily an easy one. The accompanying diagram shows the downward tendency of money at the present time and reveals the comparative stability of recent weeks. In the diagram exhibiting the cost of corporation credit, it will be noted that bond values by advancing, as they have on a moderate scale during the month of January, have tended to cut the cost of long-term accommodation to corporate borrowers. This is a marked feature of the present situation, and has tended quite materially to stimulate the issue of new capital in the form of bonds and to some extent of stocks, as well as the floating of various foreign loans in this market. Coming weeks will undoubtedly be a period of rather unusual activity in the investment field.

Export Trade Uncertain

The review of our foreign trade for the full year 1923, which is now available in official form, once more emphasizes the decadence which we have experienced as an exporting nation. Although we shipped abroad $4,165,000,000 worth of

(*Please turn to page* 731)

THE TREND OF MANUFACTURE, TRADE & COMMERCE



Twelve Thumbnail Analyses
~ of ~
INDVSTRIAL SECVRITIES

1—Railway Steel-Spring Co.

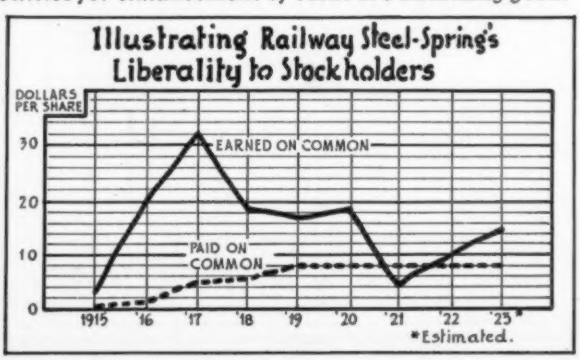
Is Railway Steel-Spring Considering Stock Dividends

RAILWAY STEEL-SPRING was organized in 1902, and through a steady expansion of its business has attained a position as one of the world's largest manufacturers of railway equipment, such as steel springs and steel-tired car wheels.

The features that stand out most prominently in the company's history of operations is stability of earnings, steady growth of surplus, and the ability and conservatism of its management. A balance has been available for the 13.5 millions of common stock in each of the eight years, 1915-1922, and average annual earnings during this time were equivalent to $15.40 a share. Working capital was increased by 9 million dollars, funded debt of 6.6 millions entirely wiped out, and 1.3 millions spent on plant additions. Surplus account rose from 4.3 millions in 1915 to 12.7 million dollars at the close of 1922, although write-offs for depreciation were unusually large. Present book-value of the common stock is in excess of $200 a share. Financial condition is excellent.

Earnings for 1923 have not been made public, but are understood to have been as high as $15 a share on the common. Indications are that the company should have no difficulty in maintaining profits at a favorable level. In the meantime, it is probable that something will be done for common stockholders, in addition to the present $8 annual disbursement, established in 1919.

Stock capitalization has not been increased in the past twenty years or more, and a split-up of the common shares or a good-sized stock dividend would appear to be a logical proceeding. Outstanding 7% cumulative preferred totals 13.5 millions. This stock at 114 yields over 6% and is a first-class investment. *The yield of 7% on the junior shares, now selling around 113, is attractive, and the possibilities for enhancement of value are unusually good.*



2—Allis-Chalmers Manufacturing Co.

A Promising Medium-Priced Industrial Issue

ALLIS-CHALMERS MANUFACTURING CO. is one of the most important manufacturers of heavy machinery in the country. The company has made notable progress in the electrical field.

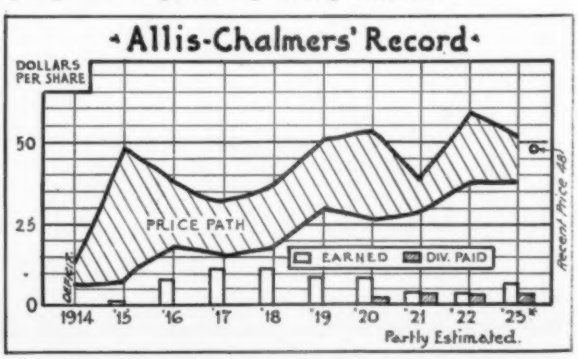
Continued activity in this line appears well assured, in view of the movement to develop the country's water-power resources.

Earnings for the past ten years have averaged close to $6 a share on the common stock after deducting depreciation and development expenses. During these ten years only $14 a share in dividends was paid out on the common, so that approximately $45 a share was added to the assets of the company. The management has been decidedly conservative in the matter of plant expansion and, as a result, the earnings that have been plowed back into the company are largely reflected in increased liquid assets. Working capital now stands around 25 millions, or about double the working capital in 1913, when the present company was formed as a reorganization of the old Allis-Chalmers Co.

Allis-Chalmers is now in the position of actually having a considerably larger working capital than necessary for the efficient operation of its business. As of December 31, 1922, the country held marketable securities valued at 9.4 millions, and even in 1920, when inventories were unusually high, marketable securities stood at 3 millions. It can readily be seen, therefore, that the company would be justified in distributing to stockholders a large part of its net profits.

In 1921 and 1922 earnings were just sufficient to cover the common dividend. In 1923 operations were at a higher rate and approximately $6 a share was earned.

At 48, to yield 8.3%, the stock appears attractive, in view of the demonstrated earning power, the unusually strong financial condition of the company and its generally strong outlook.



3—Allied Chemical & Dye Corp.

Prospects for Country's Largest Chemical and Dye Concern

THE fact that the $4 dividend rate has not been increased, in spite of fairly good earnings for 1923, is a source of disappointment to many of this company's common stockholders.

A close examination of Allied Chemical's affairs, however, does not reveal any plausible reason why the rate should be larger. Net for the past year was very probably no more than $7 or $8 a share, so combined earnings for the past three years come to approximately $15 a share, compared with total disbursements amounting to $11 a share. This shows a fairly liberal dividend policy, to say the least.

The company was formed in December, 1920, as a consolidation of the General Chemical Co., the Barrett Co. and National Analine & Chemical Co., Inc. It manufactures a thousand and one different products, principal among which are roofing and road materials, coal tar, coke, and all sorts of acids, chemicals and dyes.

Outstanding capitalization consists of 2.1 million dollars of bonds and purchase-money obligations, 39.2 millions of 7% cumulative preferred and 2.1 million shares of no-par common stock. Financial condition is exceptionally strong.

Net for the past year was the largest in the history of the organization. Everything was favorable toward a very good showing. It was a record road-building year, general building activity was at its height, and practically all the various products sold enjoyed good markets.

In short, it appears that the maximum of present earning power was very closely approached in 1923, and that net for the current year will do well to be even equally as large.

ALLIED CHEMICAL'S THREE-YEAR RECORD

	1921 H.	1921 L.	1922 H.	1922 L.	1923 H.	1923 L.
Price range of common..	59¼	34	91¾	55⅜	80	59

Recent price, 71.

	1921	1922	1923
Earned per share......	$2.65	$5.75	(est.) $7.00
Book value of common per share*	56.20	58.30	(est.) 61.00
Dividends paid on common per share	3.00	4.00	4.00

* Excluding patents, trade marks, goodwill, etc.

At the present price of 71, the junior shares do not appear to be at all attractive, under the circumstances. The yield is but 5.6%, and there are many securities in the market offering a better return, equal safety and greater possibilities for enhancement of value. The 7% preferred, yielding 6.2%, is a high-grade issue.

4—Crucible Steel Co. of America

How Change in Crucible's Capital Structure Has Affected Earnings

WAR earnings provided Crucible with an imposing surplus which reached a peak figure of 45.7 million dollars at the close of 1919, or very nearly twice the par amount of outstanding common stock.

During 1920, however, outstanding common was doubled by the payment of three stock dividends. In addition to these distributions, a 5-million-dollar block of stock was sold at par in the latter part of 1922 for the purpose of supplying a much-needed increase in working capital. The sum total result is that present outstanding common stock of 50 millions represents 64% of capitalization, compared with 44% in 1919, with surplus cut in half.

Although the company's position should be less vulnerable in times of depression, due to this change in capital structure, it likewise follows that earnings per share will show a much less rapid increase under favorable conditions. Specvestment possibilities have been materially reduced. Financial position is sound, with current assets and current liabilities in the ratio of 6 to 1, as of August 31, 1923, but the fact should not be lost sight of that inventories represented 60% of current assets. Net per share for the fiscal year ending on the above date amounted to $5.20, or much less than per share earnings of most large steel companies for the same period.

There seems to be little basis for belief that the stock is undervalued at present prices around 67, to yield 6% on its $4 dividend. Cash distributions have never been large, although few and far between, and previous high prices established for the stock, such as 98 in 1922, and 84 in 1923, resulted from extensive pool operations rather than earnings or dividend prospects. Under these conditions, the stock does not appear particularly attractive at current levels. Other steel issues are more inviting.

HOW CRUCIBLE STEEL INCREASED CAPITALIZATION

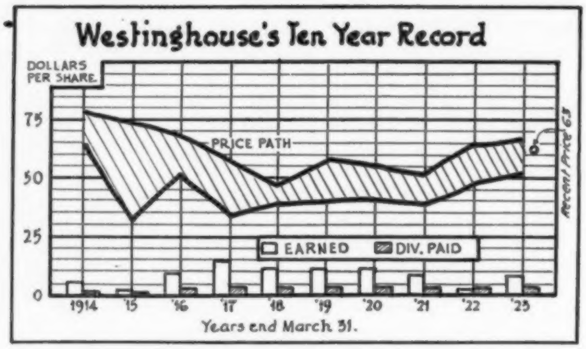
(Comparison of Surplus Account with Common Stock Outstanding)

Years Ending August 31st

(In Millions of Dollars)

	1917	1918	1919	1920	1921	1922	1923
Common Stock ..	$25	$25	$25	$50	$50	$50	$55
Total Surplus	26.2	38.3	45.7	29.8	26.4	20.0	23.0
Earnings per share	42.1	48.2	31.3	37.4	*7.5	*def.	*5.2

* Based on double amount of stock outstanding.



5—Westinghouse Elect. & Mfg. Co.

What Will Westinghouse Do for Shareholders in 1924?

WESTINGHOUSE ELECTRIC & MANUFACTURING has been steadily adding to its assets through earnings for a long period of years. This policy has undoubtedly been a disappointing one to many stockholders as dividend payments have been on a decidedly conservative basis. For the investor who has had the patience to hold the stock, however, this policy will undoubtedly bring rewards in the future that will fully compensate for temporarily lower returns. For the past ten years, earnings of Westinghouse have averaged over $8 a share on the common stock. Dividend payments have averaged only $3.22 per share so that the company has added in this period nearly $50 a share to the asset value of the common.

Balance sheet as of March 31, 1923, shows a working capital of 90 millions, and since this date the company raised 15 millions through sale of common stock to stockholders at $53 a share. At the present time, working capital is around 110 millions. This is sufficient to take care of capacity operations and leave the company free of bank loans.

Based on operations up to the present time, Westinghouse, for the fiscal year to end March 31, 1924, should show net income equal to approximately $9 a share on the common stock. Unfilled orders on hand are around 75 millions, representing nearly two months' capacity operations.

The outlook for the electrical equipment business has never been better. An important source of revenue has been derived from the manufacture of radio receiving sets, and the demand for this product is bound to be heavy for a long time to come. Westinghouse has now reached the stage in its development where it can well afford to adopt a more liberal policy toward stockholders. Its program of new plant construction and plant improvement has been largely completed and working capital is ample. *With the outlook excellent for continued large profits, a higher dividend rate appears reasonably close at hand. The common stock, paying $4 a share and selling around 63, is a good long-pull holding.*

6—Sterling Products, Inc.

Prospects for One of the Newcomers to the Stock Exchange

STERLING PRODUCTS has a potential customer in every consumer in the United States, and that means every family. Various products manufactured and sold include Bayer's Aspirin, California Syrup of Figs, Phillip's Milk of Magnesia, Cascarets, Danderine, Diamond Dyes, Dr. James Family Remedies and other equally well known family specifics and patent medicines. Distribution is universal, and some products have been on the market for fifty years. In addition, Sterling Products has a one-fourth interest in Household Products which owns Castoria. Public participation in shares was not invited until the spring of 1922. Good will account is over fourteen million dollars, but it is claimed that over twenty-five million has been spent for advertising.

The shares have been on the New York Stock Exchange for less than two years, and have not attracted universal attention, but their record has been quite commendable and compares well with the record of most of the industrial corporations in which public participation has been invited during the past two or three years.

Latest expansion was about a year ago in issuing of one hundred thousand shares to acquire Charles H. Phillips Chemical Company, a concern which apparently has an earning power equivalent to about five dollars a share on the number of shares issued for acquisition. Sterling Products dividend policy is quite liberal, and based on current dividend rate the shares are not selling at an inflated price. They may not be the most conservative of commitments, but they are far removed from the development stage, as the business which they represent is stable, established and successful. They might easily make more of a speculative appeal than they have so far. It is difficult to compare their status by drawing analogies with other stocks as the business, insofar as stock market interest is concerned, stands practically alone.

Summing up, the stock appears acceptable as part of a business man's holdings. The dividend rate at the current price of around 61 is over 8%, and the stock has speculative merit on this basis.

THREE-YEAR RECORD OF STERLING PRODUCTS, INC.

	Net profits	Earned per share	Div. paid per share	No. of shares outstanding	Price Range High	Low
1921	$2,532,848	$5.00	*$15.00	....	..	..
1922	3,312,194	6.50	3.62	502,000	†63	45
1923	4,642,255	7.40	5.00	625,000	67	51

Recent price, 61.

* Old stock. † Listed on N. Y. Stock Exchange.

7—Postum Cereal Company

Postum's Value Depends on Earning Power Rather Than Assets

EVEN the Englishman who makes a seven days' tour of the United States is unlikely to get home without tasting Postum or perchance Grape Nuts. Postum Cereal Co., the source thereof, was originally formed in 1895 by C. W. Post and controlled by him or his family, it is believed, until the present company was organized in 1922. There has been some distribution of the stock, but it would not be surprising to learn that practical control is still at "original sources."

Naturally, the common stock is an earning and not an asset proposition. It is to be noted, however, that good will is carried on the balance sheet at one dollar. This includes the value of the phrase, "there's a reason." Plants at Battle Creek, Michigan, are carried at a valuation of about four and a half millions, and gross business is somewhere around twenty millions.

Last year a stock dividend of 100% was paid to common shareholders and on the present amount of stock outstanding, earnings are figured to be around seven dollars a share or nearly twice the amount of dividend distribution. There is no doubt at all of the importance of the company in the field which it represents. Its business is absolutely established, but yet is not the kind of a business which will continue to grow as it has durthe past ten years if an aggressive selling and advertising policy is not maintained. In other words, advertising is perhaps as necessary a part of operating costs as the purchase of raw materials. Raw materials to Postum means grain fluctuations—the price of corn and wheat have much to do with margin of profit. It is to be noted that in 1919 and 1920, during the high grain prices, net profits were under 10% after taxes. Last year the similar margin was probably not far from 15%.

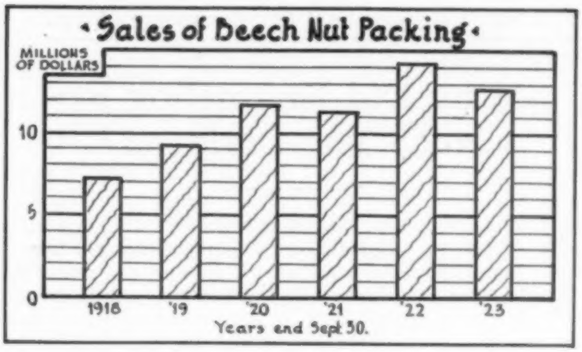
Present dividend rate is well within earning power and ought to be covered in all but perhaps the most sub-normal years. From a dividend standpoint, choice would seem to favor an increase in the rate before a decrease. So far as the market is concerned, the stock is settled in comfortably middle ground, and not high speculatively.

POSTUM CEREAL'S EARNINGS

	Sales	Net after taxes	Earned per share on common	Div. paid on common	No. of shares outstanding	Price range common H.	L.
1921	$17,774,284	$2,101,628	$9.12	$3.00	200,000	...	...
1922	17,877,365	2,496,538	11.00	3.75	200,000	120	‡65
1923	17,447,836	*2,439,333	7.00	†3.75	400,000	134	47

Recent price, 55.

* 9 months ended Sept. 30. † Rate now $4. ‡ Listed 1922.



8—Beech-Nut Packing Co.

Has Beech-Nut Already Discounted High Earnings?

EVERYONE who eats regularly knows Beach-Nut. That makes it practically unanimous. The company "puts up" jam, jelly, sauces, fruits, ketchup, makes chewing gum and candy, and bottles vinegar and ginger ale. Three plants are operated and good will is carried down to one dollar on the balance sheet. In other words, no dollar value is placed on the books on account of the value of the trade name which obviously is worth millions, to say nothing of the money spent for advertising and to create a market.

For twenty years, the company was privately owned. Most everyone knew the products but few knew anything about the company itself. When the preferred was listed in 1921 and the common in 1922, the fact that everyone knew the products of the company helped materially in promoting general acquaintance with the stocks.

A few pertinent facts are that in the past seven years the volume of business has doubled, as have net profits. Earning power on present outstanding common shares is between seven and eight dollars per share, and is apparently steadily growing. Not until the corporation was strongly established in its chosen fields was public participation in ownership invited. List of products has been enormously diversified in the past seven years, thus making for stability of earnings.

Dividend rate is conservative when applied to current earnings. Stock dividend of 50% paid in the last part of 1923 may possibly indicate policy "when and if" accumulated surplus warrants. Common stock is close to earnings as the preferred outstanding is inconsiderable.

Present market price of the common offers little in the way of direct income return —less than 5%, in fact. It is therefore selling at price which appears to be based on known and expected earning power; in other words, Beech-Nut stock seems to have discounted quite a bit of progress made during the last five years, and is therefore not particularly desirable from the view-point of profit-making.

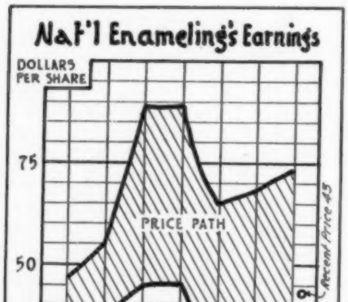
Why Did Enameling Reduce The Dividend?

STILL shrouded in uncertainty is the question of the place of National Enameling & Stamping in domestic industry. Before the war, the company was widely known for the manufacture of a varied line of enameled tin, galvanized copper ware, etc. At that period the argument against growth in earning power was Austrian competition. The war killed that competition and earnings rose to high totals and the common stock was established on a dividend basis of $6.

Presumably in order to secure diversification, National Enameling purchased control of St. Louis Coke & Chemical Co., and later on increased capacity of its sheet and plate mills at Granite City, Ill. As a result, it is a minor factor in the steel industry. Furthermore, the expansion of steel plant units has strengthened raw material position.

There is a dearth of information concerning National Enameling's affairs. Early in 1923 it was reported that earnings were running at the rate of $12 a share on the common stock and yet in October, 1923, the dividend rate was reduced from $6 to $4. Estimates are that 1923 earnings will show about $5 a share. At that time it was said that while sales were 20% ahead of 1922, margin of profits were increasingly unsatisfactory. Thus, the uncertain outlook made dividend reduction advisable. Since that time the market action of the shares has reflected continued uncertainty, as if to indicate that it is now a question of ability to maintain indefinitely a $4 rate. The pre-war record of earnings is somewhat against the company, and a natural conjecture is whether large earnings during war years were simply a reflection of those abnormal times.

Preferred stock has paid dividends without interruption since 1899, *and yet it is currently selling to return about* 8%. *On the face, this preferred stock appears to be cheap, but the high income return, the general uncertainty about earning power, suggest strongly that the senior stock is not in the high-grade class, that is, as preferred stocks are measured. The common is frankly speculative with negative characteristics predominating, due to the corporation's irregular record and uncertainty as to the future.*



What New Management Did for Maxwell

MAXWELL MOTOR

Capitalization

Bonds *$5,000,000
Class A stock....17,742,300
Class B stock, 596,672 shares, no par.
* New issue.

Price Range of Stocks

	Class A H.	Class A L.	Class B H.	Class B L.
1921	45½	38	15⅜	8
1922	74¾	4¼	25⅞	11
1923	63¼	36	21	10¼

Recent price, 53 — Recent price, 15

THE present Maxwell Motor Corporation was formed in 1921 as a reorganization of the old Maxwell Motor Co. The reorganization plan did not accomplish much in improving the financial condition of the organization but, what has turned out to be more important, it did secure for the new company an able management, sadly lacking in the past. Mr. W. P. Chrysler was given full charge of operations and under his expert guidance the Maxwell car took a new lease on life. Plant inefficiency was eliminated and the Maxwell plant stands today as one of the best equipped in the automobile industry.

The present Maxwell Co. started business with 12.1 million notes inherited from the old company and in three years' time, 7.8 millions have been retired. The remaining notes are to be refunded with an issue of 5 million 10-year 7% debentures. Balance sheet as of November 30, 1923, shows that with these notes taken care of, the company is now in strong financial condition. Current assets total 16.2 millions and current liabilities 3 millions, a ratio of better than 5 to 1.

Although Maxwell has made great progress under the Chrysler management, even better results would have been achieved had it not been for the Chalmers end of the business. This car could not be brought back to popular favor and cut down considerably the Maxwell car profits. In the Chrysler car recently introduced to the public the company has added a line that should substitute profits for the losses on Chalmers cars. Three thousand dealers have been secured to handle the Chrysler and production this year is estimated at over 25,000 cars. Despite Chalmers losses the company in 1923 earned $14 a share on the A stock as compared with $4.84 a share in 1922. With the success of the new car practically assured, earnings this year will undoubtedly be materially higher.

The A stock is entitled to dividends of $8 *per share before the B can receive anything and at present levels of* 53 *offers a good speculative opportunity. The B stock is still far removed from dividends, but its market price will doubtless improve with the A stock.*

11—American Cotton Oil Co.

Reorganization of Cotton Oil and Shareholder's Prospects

AMERICAN COTTON OIL—GOLD DUST CORP.

Capitalization

AMERICAN COTTON OIL

Bonds due, 1931	$5,000,000
Notes due, 1924	8,500,000
Pref. stock	10,198,600
Common	202,371 shares

GOLD DUST CORP.

Bonds	None
Notes	None
Pref. stock	5,000,000
Common	200,000 shares

BASIS OF EXCHANGE

1 share of Am. Cot. Oil pref. receives 1 share of Gold Dust common. 3 shares of Am. Cot. Oil common receives 1 share of Gold Dust common.

N. B.—Bonds and Notes of Am. Cotton Oil to be paid off through liquidation of remaining assets.

AFTER a succession of years showing heavy deficits, American Cotton Oil in the latter part of 1923 finally took the action that should have been taken some years before. A plan was formulated by which the unprofitable lines of its business would be disposed of and activities concentrated on the profitable lines. Since 1920, the cotton oil business has been unprofitable due largely to the high prices prevailing for cotton seed which brought the price of the finished product up to a level where sales were seriously affected. This end of the company's business is being liquidated and the plants sold. The profitable end of American Cotton Oil's business has been the manufacture and sale of "Fairy Soap" and "Gold Dust," and will form the basis of future operations.

American Cotton Oil stockholders have approved a plan which provides for exchange of American Cotton Oil stock for that of the Gold Dust Corporation. Stockholders under this plan receive in exchange for their stock, common stock of the Gold Dust Corporation in the ratio of one share of Gold Dust for each share of Cotton Oil preferred stock and one share of Gold Dust for each three shares of Cotton Oil common. American Cotton Oil, in return for certain assets turned over to the Gold Dust Corporation will receive 5 millions of the latter company's preferred stock, and this asset together with the sums received from the sale of plants is expected to raise sufficient funds to take care of the funded and floating debt of the company. American Cotton Oil now becomes a liquidating subsidiary of the Gold Dust Corp., and there is no reason why stockholders should retain their stock instead of making the exchange. When liquidation is completed, it is questionable whether much, if anything, will remain for distribution to stockholders of Cotton Oil after all debts are satisfied.

Stock of the Gold Dust Corporation selling around 36 is highly speculative, but not without possibilities for enhancement in value. "Fairy Soap" and "Gold Dust" are well advertised brands and have been large sellers for years. With the management concentrating on these products, the new company may prove a good money maker.

12—Westinghouse Air Brake Co.

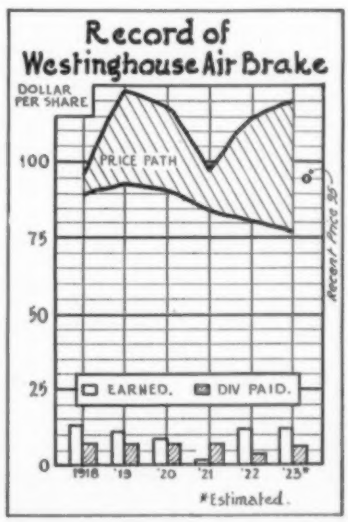
A Stock Which Has Paid Dividends for a Half Century

WESTINGHOUSE AIR BRAKE belongs to that limited group of industrial corporations which have paid dividends for over half century. Before the war, the stock was little known in New York, although the company itself has long been recognized as one of the leaders in the railroad equipment field. Despite identification principally with the manufacture of the air brake, business is diversified. Of course, the air brake remains the best known product, but other important lines include air compressors, driver brakes for locomotives, automatic locomotive stokers, car couplers and electric storage batteries.

Now that the Interstate Commerce Commission has ordered the railroads to adopt automatic train controls, it is assumed that Westinghouse Air Brake will share largely in this field. In fact, one of the principal reasons for the recent strength of the stock is due to belief that if the railroads are to spend 100 million dollars upon the installation of automatic train controls, Westinghouse Air Brake will be a substantial beneficiary. Foreign business is well established, and not long since French authorities named the Westinghouse air brake as standard equipment for French railroads. There is a Russian company, an Italian company, a Canadian company and an English company, all controlled through stock ownership.

Westinghouse has an extremely simple capitalization, consisting of one class of stock. A regular feature has been the declaration of stock dividends. Since 1912, there have been four, the latest one of 35% having been declared early in 1923. Westinghouse Air Brake shares are not trading shares in the accepted market connotation. *A large proportion is permanently held and the stock ranks as nearly in the investment class as a common stock can. The often-misused word, "prime" may well apply to it, and it is an issue which can be safely recommended to the conservative investor in stocks. At present prices of around 95, the yield on this $6 stock is a trifle over 6%, which, while in itself rather unattractive, is nevertheless significant as an index of its investment value. The $6 dividend, furthermore, does not measure final possibilities.*

Westinghouse can be recommended at current levels.



Preferred Stocks Continue Advance

High-Grade Issues in Demand—Special Opportunities Presented for Consideration of Investors

PREFERRED stocks continued their advance in line with the movements in the bond and common share markets. A number of issues which were obtainable not long ago at lower prices, now yield only around 6%, among them being Sears, Roebuck & Company, Endicott-Johnson & Company, Allied Chemical & Dye, American Can, and Baldwin Locomotive preferred.

There were a number of good advances among the middle grade and speculative issues. Associated Dry Goods first and second preferred gained 4 points. Bush Terminal Buildings preferred, sold at 91, at which price the stock appears very attractive. California Petroleum sold at 106½, and the Bethlehem Steel Corporation 7 and 8% preferred stocks gained 4 points. Among the very highly speculative stocks there were a number of substantial gains, such as Case Threshing Machine, Deere & Company, American Chicle, Otis Steel, Cuban Cane Sugar and Pacific Coast first and second preferred. On the other hand, American Agricultural Chemical preferred and Virginia-Carolina Chemical Company are very sharply lower, and Consolidated Cigars preferred lost all its previous gain, due to rumors that the proposed consolidation with Pierre Lorillard & Company would not take place. Inasmuch as the company has been showing earnings sufficient to cover the dividend with around $4 a share for the common, this issue appears attractive as a speculation at present levels.

PREFERRED STOCK GUIDE

These Stocks Are Selected as Offering Best Opportunities in Their Respective Classes, Taking Into Consideration Assets, Earnings and Financial Condition of the Companies Named

	Div. Rate $ Per Share	Approx. Price	Approx. Yield	†Divid'd Times Earned
Sound Investments				
INDUSTRIALS:				
American Can Co. ....(c.)...	7	112	6.2	2.1
American Ice Company ....(n.c.)...	6	82½	7.2	3.2
American Woolen Co. ....(c.)...	7	100	7.0	2.5
Allied Chemical & Dye Corp..........(c.)...	7	113	6.2	(z) 4.5
Baldwin Locomotive Works...........(c.)...	7	116	6.0	4.4
Cluett-Peabody & Co.................(c.)...	7	100	7.0	4.7
Endicott-Johnson Corp. ....(c.)...	7	114½	6.1	4.6
General Motors Corp. deb.............(c.)...	7	100	7.0	(y) 5.1
Loose-Wiles Biscuit Co. 1st............(c.)...	7	106	6.6	3.2
Sears-Roebuck & Co..................(c.)...	7	114	6.1	12.6
Standard Milling Co.................(n.c.)...	6	81	7.4	4.3
United States Realty & Improvem't Co.(c.)...	6	104½	6.6	2.7
PUBLIC UTILITIES:				
North American Co...................(c.)...	3	45	6.7	(w) 6.9
Philadelphia Company.................(c.)...	3	43	7.0	5.6
RAILROADS:				
Bangor & Aroostook...................(c.)...	7	89	7.8	2.5
Chesapeake & Ohio conv..............(c.)...	6.50	101¾	6.3	4.9
New York, Chicago & St. Louis........(c.)...	6	87¼	6.9	(x) 2.5
Middle-Grade Investments				
INDUSTRIALS:				
American Sugar Refining Co...........(c.)...	7	98¾	7.1	2.4
Armour & Co., of Del.................(c.)...	7	93	7.5	(z) 2.9*
American Steel Foundries.............(c.)...	7	103⅞	6.7	5.0
Allis-Chalmers Mfg. Co...............(c.)...	7	95½	7.3	2.8
American Smelting & Ref. Co..........(c.)...	7	99⅜	7.0	1.7
Associated Dry Goods Co. 1st.........(c.)...	6	88½	6.6	3.0
Brown Shoe Co.......................(c.)...	7	91	7.7	2.2
Bethlehem Steel Corp. conv...........(c.)...	8	109	7.3	3.8
Bush Terminal Buildings Co...........(c.)...	7	91	7.7	1.1
California Petroleum partic. pfd........(c.)...	7	106½	6.5	1.3
Coca-Cola Co. ....(c.)...	7	93	7.5	(x) 5.1
Cuban-American Sugar Co.............(c.)...	7	96	7.3	6.4
Genl. American Tank Car Corp........(c.)...	7	93	7.5	5.4
General Baking Co....................(c.)...	8	108½	7.3	(x) 3.8
Gimbel Brothers, Inc.................(c.)...	7	100⅜	7.0	3.3
J. Kayser & Co......................(c.)...	8	99	8.0	2.0
Kelly Springfield Tire Co.............(c.)...	6	75	8.0	16.0
Natl. Cloak & Suit Co.................(c.)...	7	96¼	7.2	...
U. S. Industrial Alcohol Co............(c.)...	7	102	6.8	6.4
PUBLIC UTILITIES:				
Amer. W. Wks. & Elec. Corp. 1st......(c.)...	7	90	7.8	(x) 2.2
Public Service of N. J.................(c.)...	8	101½	7.8	(y) 3.4
RAILROADS:				
Baltimore & Ohio...................(n.c.)...	4	59	6.7	...
Colorado & Southern 1st pfd.........(n.c.)...	4	52	7.7	6.2
Pittsburgh & W. Va...................(c.)...	6	87¼	6.8	2.0
Semi-Speculative Investments				
INDUSTRIALS:				
American Beet Sugar Co.............(n.c.)...	6	75½	8.0	1.3
Famous Players-Lasky Corp...........(c.)...	8	88	9.1	(y) 5.7
Fisher Body Corp. of Ohio............(c.)...	8	99	8.0	...
Mack Trucks, Inc., 1st...............(c.)...	7	98	7.2	(y) 2.8
Orpheum Circuit ....(c.)...	8	92	8.7	(w) 2.5
National Department Stores...........(c.)...	7	94	7.4	4.0
Pure Oil Co. conv. pfd................(c.)...	8	95	8.4	3.5
Worthington Pump & Mfg. "A"........(c.)...	7	71½	9.8	2.0
PUBLIC UTILITIES:				
Amer. Water Wks. & Elec. 2d pfd.....(c.)...	4	67	6.0	(w) 1.8
RAILROADS:				
Kansas City Southern...............(n.c.)...	4	53	7.5	1.5
Pere Marquette ....(c.)...	5	62	8.1	2.2
St. Louis Southwestern.............(n.c.)...	5	63	8.0	1.7
Southern Railway ....(n.c.)...	5	68½	7.1	1.7

(c.) Cumulative. (n.c.) Non-cumulative.
(w) Average for last two years.
(x) Average for last three years.
(y) Average for last four years.
(z) Stock was issued this year.

* Based on average earnings during past six years.
† Average number times earned last five years.

Opportunities Among Utility Preferred Stocks

The preferred stock market yet offers the best opportunities to investors who desire a better return than now obtainable from bonds. Certain among the utilities, North American and Philadelphia Company preferred shares, on a 7% basis, are attractive, with earnings running around six times dividend requirements. Another attractive issue is American Water Works & Electric Corporation first preferred, selling at 90, to yield 7¾% on the investment, and earning the dividend five times.

Among industrials, the American Steel Foundries has no funded debt. Its working capital is around twice the total preferred stock issue, and earnings during the past five years have averaged five times the preferred dividend. Yet the stock is obtainable on a 6¾% basis. The investment and dividend yield on Coca-Cola preferred can be considered as reasonably secure, but the stock is selling to yield 7½%, although there is only ten million preferred outstanding, and the company has been earning five times dividend requirements on the senior stock during the last four years.

Industrial Issues That Are Obtainable on Favorable Basis

We have previously pointed out in these columns the merits and claims to consideration of investors of Famous-Players and J. Kayser & Company 8% preferred stocks, as well as the Mack Truck preferred issues. With the strong trade and financial position occupied by the Cuban American Sugar Company, its 7% preferred, at 96, is cheap, especially in view of the outlook for continued good prices for the sugar industry. Brown Shoe Company preferred, at 91, is another example of bargain opportunities among preferred shares, for one who is willing to disregard intermediate fluctuations. This is another company with no funded debt, and its preferred shares having first claim

on assets and earnings. The company's balance sheet shows working capital of almost twice the amount of the outstanding preferred stock, and dividends have been paid continuously since its issuance, but it returns almost 7¾% on the investment at present levels.

Railway Preferred Stocks

There are a number of attractive railway preferred stocks selling at relatively low prices. New York, Chicago & St. Louis preferred yields almost 7%. St. Louis Southwestern preferred, Pere Marquette preferred and Colorado & Southern first preferred, return around 8%, and are deserving of consideration, in view of the large normal earning power of these roads available for dividends on their preferred stocks.

We again call the attention of investors to the unusual situation among preferred stock issues. As pointed out in the above, there are quite a number of attractive stocks among public utilities, industrials and rails which offer not only a high return, comparatively speaking, but prospects for an enhancement in their market value.

The point to notice is that current yields on many sound preferred stock issues are out of line with conditions in the money market and that prospects for still lower money rates must inevitably have a favorable influence on these securities.

Industrial *Oil* *Mining*

Investors' Indicator

Current Earnings—Dividends—Working Capital

	Dollars Earned Per Share				†Present		Yield on Recent	Ratio of Current Asets to Current Liabilities	
		1923							
Industrials—	1922	6 mos.	9 mos.	12 mos.	Rate Div.	Recent Price	Price (%)		
Allis-Chalmers	4.11	1.99	3.83	6.00	4	50	8.0	10 to 1	December 31, 1922
Ajax Rubber	0.06	a0.97	....	....	..	8	...	3 to 1	June 30,1923
Air Reduction	5.23	7.72	11.39	....	4	80	5.0	6 to 1	December 31, 1922
Amer. Bosch Magneto	0.27	3.00	....	....	..	36	...	2½ to 1	February 28, 1923
Amer. La France Fire Engine	1.90	0.60	1.25	....	1	11	9.1	5 to 1	December 31, 1921
Amer. Druggists' Syndicate	0.63	def.	....	....	..	6	...	12 to 1	December 31, 1922
Amer. Hide & Leather Pfd	4.20	def.	def.	def.	..	60	...	3½ to 1	December 31, 1922
Amer. Locomotive	l	k12.19	....	....	6	74	8.1	5 to 1	December 31, 1922
Amer. Steel Foundries	4.03	4.38	7.32	....	3	38	8.0	4½ to 1	December 31, 1922
Bethlehem Steel	1.14	....	....	5.57	5	61	8.2	4¼ to 1	December 31, 1922
Butterick	3.42	3.53	....	....	..	22	...	3 to 1	December 31, 1922
Central Leather	q	2.28	def.	....	..	17	...	5½ to 1	December 31, 1922
Cluett-Peabody	12.01	10.89	....	....	5	73	6.8	4¼ to 1	June 30, 1923
Coca Cola	11.14	6.03	....	....	7	74	9.5	4 to 1	December 31, 1922
Colorado Fuel & Iron	def.	2.34	1.30	....	..	28	...	3½ to 1	December 31, 1922
Corn Products	17.43	10.42	13.72	....	c6	175	3.5	6 to 1	December 31, 1922
du Pont de Nemours	k5.62	8.54	....	....	8	136	5.9	7½ to 1	December 31, 1922
Endicott-Johnson	13.77	4.57	....	....	e5	65	7.7	2¼ to 1	June 30, 1923
Famous Players	14.72	6.62	10.61	....	8	68	11.8	2¼ to 1	December 31, 1922
General Motors	2.19	1.84	2.64	....	1.20	16	7.9	8 to 1	June 30, 1923
Goodrich	0.73	2.86	....	....	..	25	...	3 to 1	December 31, 1922
Gulf States Steel	7.26	8.05	10.73	12.78	4	85	4.8	6 to 1	December 31, 1922
Hayes Wheel	6.50	3.92	....	....	3	50	6.0	3⅓ to 1	December 31, 1922
Hudson Motor	6.03	3.71	....	....	3	28	10.7	2⅓ to 1	November 30, 1922
Lee Rubber & Tire	2.47	....	....	....	..	14	...	9 to 1	December 31, 1922
Mack Truck	9.94	12.14	17.58	....	6	90	6.6	10 to 1	Sept. 30, 1923
Otis Elevator	15.28	9.09	14.97	....	8	153	5.2	9 to 1	June 30, 1923
Owens Bottle	4.41	2.90	4.52	....	3	45	6.6	9 to 1	December 31, 1922
Pierce Arrow pfd	0.10	2.04	2.14	....	..	28	...	m2⅓ to 1	December 31, 1922
Remington Typewriter	2.77	3.31	....	....	..	48	...	8 to 1	December 31, 1922
Republic Iron & Steel	j	9.55	13.73	15.00	..	59	...	2¾ to 1	December 31, 1922
Sloss-Sheffield	1.09	14.57	18.01	....	..	65	...	1⅓ to 1	December 31, 1922
Spicer Manufacturing	0.88	2.49	2.89	....	..	16	...	2½ to 1	December 31, 1922
Stewart-Warner	11.23	8.30	11.68	....	10	94	10.6	5 to 1	December 31, 1922
Stromberg Carburetor	8.05	8.28	10.81	....	8	80	10.0	7 to 1	December 31, 1922
Studebaker	k23.21	17.40	23.68	....	10	106	9.4	5 to 1	June 30, 1923
Timken Roller Bearing	6.43	3.80	....	....	h3	40	7.5	3 to 1	December 31, 1922
United Drug	5.80	3.62	....	....	6	84	7.1	7 to 1	December 31, 1922
U. S. Rubber	2.68	2.22	....	....	..	38	...	2⅓ to 1	June 30, 1923
U. S. Steel	2.85	6.83	11.30	16.43	d5	108	4.6	3¾ to 1	December 31, 1922
Vanadium	0.79	1.03	....	....	..	31	...	Net current assets $4,100,000	
Willys-Overland	def.	3.30	4.84	....	..	12	...	m3½ to 1	July 31, 1923
Youngstown Sheet & Tube	....	10.34	13.51	....	5	69	7.2	3⅓ to 1	December 31, 1922
Oils—									
California Petroleum	‡k4.18	‡k4.99	‡k6.82	....	1.75	28	6.3	2¼ to 1	December 31, 1922
Cosden & Co.	‡4.25	*4.00	....	....	..	40	...	4 to 1	December 31, 1922
Houston Oil	‡2.75	*2.60	*5.42	....	..	80	...	3½ to 1	December 31, 1922
Marland Oil	‡4.44	*6.55	....	....	..	41	...	2¾ to 1	December 31, 1922
Middle States Oil	*2.79	0.96	....	....	..	6	...	Net current assets, $2,338,081	
Pacific Oil	3.37	1.29	1.96	....	2	57	3.5	2½ to 1	December 31, 1922
Pan-American B.	‡11.75	‡5.57	....	....	b8	47	17.0	3½ to 1	December 31, 1922
Phillips Petroleum	k*7.80	k*8.70	k*8.70	....	g2	41	4.8	1 to 1¼	December 31, 1922
Pure Oil	§def.	....	....	s	1.50	26	6.0	2¼ to 1	March 31, 1923
Sinclair Consolidated	‡3.24	*1.00	....	....	2	24	8.3	8½ to 1	December 31, 1922
Mining—									
American Smelting	‡3.28	‡5.43	....	....	5	61	8.2	4 to 1	December 31, 1922
American Zinc pfd	0.22	*2.62	*2.78	....	..	31	...	5 to 1	December 31, 1922
Chino	def.	*0.73	*0.87	....	..	18	...	2 to 1	December 31, 1922
International Nickel	p	0.17	0.23	....	..	14	...	12 to 1	June 30, 1923
Nevada Consolidated	def.	*0.75	*1.07	....	..	13	...	8 to 1	December 31, 1923
Ray Consolidated	def.	*0.67	*0.95	....	..	11	...	9 to 1	December 31, 1922
Utah Copper	1.03	*3.43	*5.91	....	4	65	6.1	7 to 1	December 31, 1922

* Before depreciation and depletion.
† Dividend rate covers regular dividends on **yearly basis.**
‡ After deducting depletion and depreciation.
§ Year ended March 31.
a After deducting depreciation and revaluation of inventory.
b Stock Dividend of 20% paid Feb. 8, 1923.
c $3 extra paid Jan. 30, $1.50 extra July 20, 75c extra Oct. 20, and 75c extra Jan. 20, 1924.
d Extra dividend of 50 cents payable in March.
e 20% stock dividend paid Feb. 15, 1923.
g Stock dividend of 50% and extra dividend of $1 paid June 30.
h 25c. extra paid Sept. 5 and 25c Dec. 5.
j Earned $1.67 on preferred in 1922.
k On increased stock.
l Earned $4.40 on preferred.
m After giving effect to new financing.
p For year ended March 31, 1923, earned 54c. a share on preferred.
q Earned $4.58 a share on preferred.
s Year ended March 31, 1923, earned $1.37 a share.

School for Traders & Investors

Twenty-Fourth Lesson

Excessive Distribution of Risk

or

How a Good Rule May Be Overworked

THE principle of the distribution of the risk in speculation or investment is fundamentally sound, but like all good things it may be carried to extremes. Few investors or traders concentrate their operations on a single security, or, in other words, place all their eggs in one basket. To do so with any assurance of success would require such a high degree of safety that the investment yield would be low, and the probability of speculative profit would be small, if it existed at all. Therefore, most investors distribute their available funds over several issues, so as to gain the advantage of the speculative possibilities of different industries, and at the same time limit the risk of loss in one or two of the commitments that might go wrong.

Many traders limit their activities to five or ten carefully chosen stocks, on the theory that it is difficult to watch too many issues at the same time, and keep properly in touch with all of their ever-changing fundamental and technical market characteristics. On the other hand, there is the speculator who buys a few shares of every stock whose market action suggests that it may be about to move, on the theory that a large percentage of his available capital will be in active issues, with a probable large number of aggregate points profit, and at the same time that he will secure an advantageous distribution of risk.

There are two possible dangers in the latter method that must be guarded against. First, the available capital is spread out in a thin layer over a wide list of miscellaneous stocks, whose individual gyrations may be difficult to watch in an active market, especially during a sudden general reaction, when on the spur of the moment a decision must be made as to which issues should be dumped overboard in order to protect the trader's equity. Second, such a practice is likely to lead to the abuse of over-trading, with the result that when the crisis suddenly arrives, as it is almost certain to do eventually, the trader's judgment is impaired by anxiety over the realization that he has overplayed his hand.

In either case, it is probable that many of the commitments made during the latter part of his buying campaign were not chosen with the same care as those near the beginning, and that there was a certain degree of increasing over-confidence displayed in their selection as the market advance gained headway—as it approached its temporary climax, in the form of a weakened technical position requiring correction, or a reaction, or a shake-out, or a bear drive, or whatever you care to call the phenomenon which is often so disagreeable, or disconcerting, or shocking to an overloaded bull. During such market squalls, thin margins may fade away like air castles, and anticipated clean-ups may assume the chief characteristics of mirages in the desert.

The principle of distribution of funds in securities is valid only as long as it is not applied to excess. This article shows the danger of improper diversification. The points raised should be carefully considered by every investor and trader, as failure to follow the principle herein enunciated must inevitably lead to loss.

The lesson we wish to inculcate is that the virtue of consistent distribution of risk may sometimes degenerate into the vice of over-expansion of credit, especially if the trader is short of market experience, and long of zeal. For the novice in this respect it is only a step from assiduity to asininity.

Experience indicates that it is unwise to trade in more stocks than can be properly watched, with a view to both technical and fundamental considerations. From a list of, say, twenty different stocks, all of which are in favorable technical position for purchase, it is reasonable to suppose that ten of these issues are in far better fundamental condition than the other ten, and offer a better foundation for the expectation of rising prices. Then it is logical for the trader to concentrate on these favored issues, for their better intrinsic qualities are likely to be reflected in their market behavior in due time, other considerations being equal. By other considerations we refer to such special influences as average activity, market sponsorship, and speculative popularity or leadership. It is to be observed that the frequently-present element of manipulation is usually reflected in the technical action of the issue.

By limiting operations to those issues than can be kept under careful observation, the trader becomes well acquainted with his stocks and knows when he can depend on them in emergencies; in fact, he may often select them with this idea in view, just as an officer in charge of a hazardous military maneuver is more likely to succeed with a troop of picked men, regarding whose personal characteristics and staying qualities he is confident.

As the campaign develops, certain stocks will give a much better account of themselves than others. This will not only confirm the original judgment in their selection, but also indicate on which issues additional buying power may be concentrated to advantage. If technical considerations indicate a substantial advance, the most attractive units may be used to advantage for conservative pyramiding operations, provided ample equity is maintained to take care of any probable emergency. From time to time during a definite market swing, additional attractive issues may be added to the trader's

(*Please turn to page* 715)

Moral: Don't Try to Spread All Over the Board

TRADE TENDENCIES

Gradual Upward Drift in Business

Steel and Oil Industries Stronger— Mixed Conditions in Other Directions

STEEL

ADDITIONAL marked gains in steel mill operations and renewed activity in the pig-iron market are the outstanding features in the iron and steel situation which otherwise shows little change. The Steel Corporation is producing at a rate closely approaching 90%, while the industry as a whole is utilizing approximately 81% of its capacity. Output is thus at the highest point in many months.

All important consumers remain active in the steel market, and, while individual transactions are not heavy, the aggregate tonnage of orders placed continues large. In fact, the volume of business developed in late weeks has had the effect of slowing deliveries in many items and order books are still filling. It is doubtful, however, whether unfilled obligations will continue to grow in view of the consistent expansion in mill activities.

It is apparent that operations have been increased beyond the rate required by current business. Hence it is evident that the steel companies are anxious to build up reserve stocks of material in anticipation of sustained buying, lest they be caught with insufficient supplies in the midst of an active buying movement.

The pig-iron market has assumed new vigor. Inquiries, which will probably be translated into actual orders shortly, are the largest in weeks. Consuming interests generally are in the market for iron, and it would seem that an upward movement of substantial size will have resulted before existing needs are satisfied. Prices are already rising.

OIL

The oil industry is experiencing one of its characteristic periods of rapid convalescence from depression. Despite the fact that the statistical position has shown little or no improvement (stocks of crude oil in December were the highest yet reached), prices have risen steadily. The explanation for this rise is, of course, to be found in the steady decline of production. The Powell field has practically ceased to be a factor in the industry's output while California production is consistently shrinking to more reasonable levels.

Unless some unexpected and unforeseen discoveries of new producing territories are made, it is evident that the margin between production and consumption of oil must continue to narrow. Present indications are that the industry will be enabled to draw upon its large and heretofore troublesome reserves within the next few months.

Meanwhile, controlling interests have not been slow to readjust prices to conform with the improved status of the petroleum industry. The most recent advance in Pennsylvania crude was closely followed by new price schedules in the Wyoming, Mid-Continent and Gulf Coast regions. California seems to be a laggard, but it is apparent that revisions will be made in that district ultimately. Gasoline is generally higher and still rising. Altogether, outlook for the industry is good.

COMMODITIES

(See Footnote for Grades Used and Unit of Measure)

	1923 High	1923 Low	1924 *Last
Steel (1)	$46.25	$36.00	$40.00
Pig Iron (2)	31.50	20.00	22.00
Copper (3)	0.17½	0.12	0.12⅝
Petroleum (4)	4.10	2.35	4.00
Coal (5)	4.25	1.88	1.82
Cotton (6)	0.37¼	0.22	0.34¼
Wheat (7)	1.38	0.97	1.12⅛
Corn (8)	0.97	0.68	0.78⅜
Hogs (9)	0.08½	0.06½	0.07
Steers (10)	0.10¼	0.08¾	0.11
Coffee (11)	0.13	0.10½	0.11⅛
Rubber (12)	0.37	0.25	0.25
Wool (13)	0.58	0.54	0.55
Tobacco (14)	0.24	0.18	0.22
Sugar (15)	0.08½	0.05½	0.06⅞
Sugar (16)	0.10½	0.07	0.08⅜
Paper (17)	0.04⅛	0.03¾	0.04

* Feb. 4.

(1) Open Hearth billets, $ per ton; (2) Basic Valley, $ per ton; (3) Electrolytic, c. per pound; (4) Pennsylvania, $ per barrel; (5) Pool No. 11, $ per ton; (6) Spot, New York, c. per pound; (7) No. 2 Red, Chicago, $ per bushel; (8) No. 3 Yellow, Chicago, $ per bushel; (9) Light, Chicago, $ per pound; (10) Top. Heavies, Chicago, c. per lb.; (11) Rio. No. 7, Spot, c. per lb.; (12) First Latex crepe, c. per lb.; (13) Ohio, Delaine, unwashed. c. per lb.; (14) Medium Burleigh, Kentucky, — per lb.; (15) Raw Cubas 96° Full Duty. c. per lb.; (16) Refined, c. per lb.; (17) Newsprint per carload roll, c. per lb.

THE TREND IN MAJOR INDUSTRIES

STEEL—Industry operating at highest rate in months. Mills accumulating stocks in anticipation of further expansion in demand. Pig iron rising.

METALS—Copper market quieting down. Consumers apparently filled most of their requirements on late buying movement. Other non-ferrous metals in good position with price tendency still upward.

PAPER—Newsprint active and other grades in slightly better demand. Mills operating on normal basis. Sharp competition, particularly from abroad, embarrassing to makers of high grade papers.

SUGAR—Industry in good position. Raw and refined sugar higher under stimulus of active demand but distributors seem unwilling to follow advances in refined with new orders.

SHIPPING—Grain, coal and lumber shipments moving in good volume. Ship owners find little resistance to higher rates. Strong demand for tankers a recent feature.

SUMMARY—The business situation continues to be marked by pronounced irregularities. Gains have been made in the steel, oil, building and some other industries while the leather and textile trades remain unsatisfactory. Striking an average, however, conditions are good and there seems no indication of untoward developments.

TEXTILES

The textile industries, that is the cotton and woolen goods branches, are passing through a trying period. There has

(Pleaes turn to page 715)

Building Your Future Income

"For the Man with His First Five Hundred Dollars"

"For a Whole Nation of Intelligent Investors!"

WHEN THE MAGAZINE OF WALL STREET first adopted as its aim the development of a WHOLE NATION of intelligent investors, many persons were inclined to scoff at what they considered a visionary, illusory unattainable ideal. And yet—

Each year sees more thousands becoming members of Building and Loan Associations. Over six million individual memberships existed at the close of 1923.

Each year sees Life Insurance Policies — the Finest Estate Creators There Are—taken out in ever-increasing number and ever-greater volume. At the close of 1923, the total amount of life policies outstanding reached the stupendous sum of fifty-five billions of dollars.

Each year finds more persons purchasing securities of the very highest grade; for example, U. S. Government bonds, notes and certificates. Indeed, the drift toward Treasury Certificates has reached such proportions that certain Western banks, just before this writing, actually registered a complaint against the competition which, they said, Treasury Certificates were setting up against Western Savings Banks!*

These facts, to be sure, do not prove that our WHOLE NATION of intelligent investors has yet been marshalled. There are stragglers still—and millions of them. There are traitors to the cause still — bucket - shopsters, fake stock promoters, financial frauds — by the thousands. There are "conscientious objectors" still—those who contend that the Old Sock or the Chimney Corner have yet to be outdone as depositories for idle funds.

But the facts do indicate progress. They do indicate that money is not being thrown away quite as foolishly as before. They do suggest that knowledge of how to make your surplus work for you is a little more general than it was in the beginning.

All praise to the corporation executives who have maintained the values behind their outstanding securities! All praise to the banks and trust companies which have willingly taught discrimination and science in the use of funds! Praise to the investment bankers who have frowned on foolish gambling—to the newspapers and magazines which have rejected disreputable financial advertising! Praise to the individual recruits of the investment army who have done their best to learn and who have tried to invest with their brains rather than with their emotions!

Each one of these is doing something for the cause. And, from the way things look, the cause may be a lot less hopeless than, as some would have had us believe, it originally appeared.

* This complaint, it should be noted, probably represents only a small fraction of the banks in the section referred to. Nevertheless, it has been formally registered as a complained and is an accurate indication of the direction of the prevailing wind.

Your Insurance Questions Answered—

By Florence Provost Clarendon

LEARNING TO SELL LIFE INSURANCE

How Knowledge of the Field May Best Be Obtained

I have been reading your articles on Insurance in The Magazine of Wall Street *and I have come to the conclusion that you are a real authority on the subject.*

Please give me a little information. I am thinking of taking up Life Insurance as a livelihood. But I feel that I have lots to learn—in fact, everything—about the game.

Now, is there some Correspondence School that teaches Life Insurance Salesmanship? Or aren't there some good books on the subject I could get that would do me some good?

If you will give me this information, I would appreciate it very much and would be glad to pay you for your trouble.—W. E. P., Fort Leavenworth, Kansas.

I am much interested in your letter and in your desire to enter the life insurance business as a field man. To one who goes into this work determined to give the best of himself, to acquaint himself thoroughly with the fundamentals of life insurance from the agency standpoint, giving systematic and intelligent service to the company he represents, there is every opportunity for a successful business career with an excellent financial return.

I am not aware of any correspondence school which gives courses in life insurance salesmanship, although in the large life insurance centers like Chicago, Pittsburgh and New York there are well-conducted courses in life insurance. In New York City such classes are included in the courses at both Columbia University and New York University. If, therefore, you are an unmarried man, with no dependents, you might find it more advantageous to go to one of these centers and take up a course of study prior to entering the selling field. This suggestion, however, presupposes that you could afford to give up your present position and give five or six months of your time to concentrative study before entering the business of life insurance.

If, however, you are a married man or do not feel that you can give up your present position while you are preparing yourself for the career of a life insurance agent, you could with advantage call at the local agency of some of the well-known life insurance companies and discuss there the possibility of your entering a field force. The chief difficulty in beginning this agency work is to bridge over the time when you start in the business and can earn nothing until the time comes later on when you have been able to place some business for your company and thus earn commissions sufficient to maintain yourself.

You might be able to enter into an arrangement with a general agent of a good company in your vicinity whereby he would instruct and advise you in the business of life insurance, and you could then do what is termed "part time" work, soliciting life insurance in your spare time when the duties of your position did not claim your attention. Thus you might study and increase your income at the same time or until you felt sufficient confidence in your knowledge of life insurance to devote your entire time to this interesting field.

Life insurance, incidentally, is a career that offers many advantages. It brings you into contact with many people in your day-to-day work; the competitive element stimulates your efforts to secure business; and with each policy placed that you write you have the satisfaction of knowing not only that you have added to your own list of policyholders but also that you have been instrumental in extending to your client's beneficiary beneficent protection of the finest sort.

We have no books on Life Insurance for sale, but you might increase your knowledge of the field by reading such books as:

Life Insurance, by Dr. S. S. Huebner,

Elements of Life Insurance, by Miles M. Dawson,

What Life Insurance Is and What It Does, by William Alexander, and

Agency Arguments, by Henry Moir.

These books may be obtained through the Spectator Co., 135 William Street, New York City.

I am happy to be of service to you. There is no remuneration required for the information extended.

FOR A SELF-SUPPORTING WOMAN

What Type Policy Would Best Suit Her Requirements?

I am less than forty years of age. I have a small child and an invalid husband. I am planning to take out some form of life insurance. What form do you advise for a self-supporting woman on a moderate salary? Will you tell me what companies you consider best?—H. K. B., Salt Lake City, Utah.

Your plan to take out life insurance is very wise. Such an investment would not only protect your husband and child in the event of your untimely death but, should you outlive the need of carrying insurance as a protection for dependents, you could obtain its face value when you retired from business or when the proceeds of your insurance had established a nest egg for your old age.

With this thought in mind, I would recommend, if you are about 35 years old, that you apply for a 30-Year Endowment policy which would cost (in a non-particiapting company) $26.96 per $1,000; or, if you are now 38 years old, the annual premium per $1,000 would be $28.25. You could thus, in the former case, take a policy in the sum of $5,000 for an annual cost of $134.80—necessitating a saving on your part of about $11 a month.

In a participating company, in which your premiums would be reducible by an annual dividend apportionment, the cost for a 30-Year Endowment Policy taken at age 35 would be about $161 a year, and you could either apply your annual dividends to decrease the amount of the premiums or allow them to accumulate at interest with the company and be paid with the face amount of your policy on the maturity of the Endowment. Other dividend options are also offered in the usual policy contract.

We prefer to abstain from giving discriminatory advice relative to the "Old Line" companies in which it is desirable to seek protection. All of such companies operate under the direct supervision of the various Insurance Departments of the States in which they do business, and thus policyholders' interests are doubly protected.

Life Insurance is the only thing a man can buy on the instalment plan that his widow will not have to finish paying for or lose.

--Owen M. West

Teaching a Whole Family to Save!

A Story About a Far-Sighted Atlanta Business Man

By J. M. Reed

FOUR years ago, S. C. Doby, a prominent Atlanta business man—and a remarkably far-seeing business man, too—began to make arrangements for the distribution of his property.

He realized that the amount he had would not go very far, divided up among his juvenile relatives. And he also realized that, in these days and times, a relative and his inheritance are soon parted.

His problem, therefore, was how to divide his property up to the best advantage and then how to train his nephews and nieces to take care of it when they got it. It is a problem that is puzzling many business men today. It is, you might say, a universal problem confronting this country. And this is the way Mr. Doby solved it.

He invited all of his nephews and nieces to his home for Christmas dinner. There were twenty-eight of them—considerable of a Christmas dinner, if one might ask you. But beside each plate there was a pass book to the local bank and a check from Mr. Doby for $1.00.

The dinner progressed. The small guests could understand the dollar check all right—that was made to spend. But what about the pass books? That was the question in the mind of each—the mystery to be cleared away. What was the pass book for beside each plate?

The dinner ended—and then the curtains which had been drawn across one end of the room were thrown back—revealing a bank teller's cage. In the cage was a real teller, waiting to receive their checks. Talk about a Christmas tree! That teller's cage was better than any tree to the children. And it was destined to prove better and better each year.

As attention centered on the miniature bank, Mr. Doby explained his plan to all of his small relatives. They were to take the $1.00 check and deposit it in the bank. He and the bank teller would show them how to do it. And then he was going to offer a prize to each one who kept that dollar in the savings bank all the year, a bigger prize to the one making the most deposits during the year, and the biggest prize of all to the one who put the most money in beside that dollar before another Christmas.

The following Christmas, he promised them, he would give them another dinner—hear the reports of those present—and award the prizes.

It was to be a game—a game every boy and girl ought to learn—the game of saving money and having a good time in so doing.

But it was to be far more than a game—it was to teach the boys and girls of Mr. Doby's family the all-important lesson of thrift—to give them invaluable training in handling, saving, and investing money to the best advantage.

The twenty-eight nephews and nieces listened carefully—and accepted the challenge. And today that $28.00 has grown to $11,000 in the various savings banks of the city.

The original investment did not exceed $30.00. The total prizes for the four years—including prizes of $500 this year—have not totalled more than $1,500. That $11,000 was almost entirely saved, earned and put on deposit by Mr. Doby's nephews and nieces in an effort to win the coveted Christmas prizes.

In 1919, when the Doby Foundation, as it is called, was started, there were twenty-eight members in the club, and each had a deposit of $1.00. In 1920, it had 31 members and $400 on deposit. In 1921, there were 37 members with $1,200 in the savings bank. In 1922, there were 44 members of the club and $5,200.

And this year there are 44 members, with total deposits, including the Christmas prizes for the year, of $11,000. Which will give some idea of how such a foundation can grow.

The total number of deposits made during the first year was 200. This year, members of the club made 865 deposits—and they expect more next year.

When Mr. Doby dies he will have left his relatives much more than an inheritance—he will have enabled them to save more than he could have given them, and will have trained them in the priceless traits of saving and economy. He has done something that will insure the success of all his nephews and nieces.

It may have been a little trouble to him—it may have taken a little time from his business affairs. But it has been time and trouble well spent—and as for the money—Mr. Doby hasn't even missed it.

But think what a change would come about in this country if every business man would train his grandchildren and his nephews and nieces by Mr. Doby's method. It would remake America.

"The dinner ended, and then the curtains, which had been drawn across one end of the room, were thrown back revealing a bank teller's cage."

"Talk about a Christmas tree! That teller's cage was better than any tree to the children. And it was destined to prove better and better each year."

An Open Letter to Mr. Heywood Broun

Having More or Less to Do With That Farm He Wants to Buy

There may be two or three dozen people, at the most, in these United States who don't know who Heywood Broun is.

For their enlightenment we will say that he is a special writer attached to the staff of the New York World.

Mr. Broun's daily column in The World, entitled "It Seems to Me," is made up of such comment as happens to appeal to him on such subjects as happen to occur to him. More recently he has been devoting the column to bared thoughts on the subject of buying a farm.

DEAR Mr. Broun:

We see you are thinking of buying a farm.

We wonder just how serious your thoughts have gotten on the subject.

We feel, if by chance you are *really* tempted to take such a step, that we ought to write to you about it. For here you are, 35 years old (or so you recently indicated), a man accustomed to the better, or at least the more luxurious, things of life, one whose vocation and avocation are both situate in that great realm where dwell literature and the drama, whose tastes seem all towards the intangible things of the mind, evidently with no experience in farming and more evidently with no aptitude for it or inclinations toward it.

And yet you say you are thinking of buying a farm!

Mr. Broun, what possesses you? It should be plain to you that your physical self would be as out-of-place in a lonely country place totally surrounded by landscape as your mental self is *in* place opposite the editorial page of *The World.* The happy farm owners (how few there are) are not men who get their recreation from twisting words into sentences and sentences into columns. They are not those to whom a verbal quip or an adroit pun is worth all the plum trees in the world. The happy farm owners (if any there be) are those who delight to putter around strawberry beds, to whom barns and woodsheds are joys rather than monstrosities, who could get not half the inspiration from a smoothly done third act as they could from the lusty baa-ing of a newborn calf. You are simply not of them.

Your place, Mr. Broun, is obviously where your friends and those like yourself congregate: In a pleasant, commodious, suburban home, standing a little back from a well-paved street, with a bit of shrubbery against one corner of the verandah and maybe a tree or two. There must be modern plumbing. The place must be easily accessible. And—if the typical thing you told us recently about your bank balance is true (which it probably is, as most newspaper men's bank balances are conducted in just that way), your place must be *marketable*—something which with reasonable exceptions you could convert into cash on short notice.

Why not prescribe for yourself more coolly—and more wisely—Mr. Broun? A moment's thought must convince you, as between a suburban home and a farm, where you would find the greater happiness.

And you could finance the purchase of a suburban home so easily. For example:

We suggest that you write another book—something as good as "The Boy Grew Older," and that much better than "The Sun Field," with less of the inhibiting restraints common to either. With the book written and in the hands of your publishers, instruct the publishers that royalties accruing from it are to be deposited to your account in a good Building & Loan Association—say, the Franklin Society on Park Row. With your admirers as numerous as they are, the book should easily bring in more than enough to meet the cash requirement on any home you desired.

With the cash payment out of the way, get the Franklin Society to tell you how to finance the rest of your purchase cost. Mr. Hennessey, the President, will explain the whole thing to you. He's an old newspaper man—indeed, the Franklin Society was originally started for and by newspaper men, including Mr. Hennessey—and you will find him not only a most engaging but also a most helpful man to talk to.

He will tell you how, under the Building & Loan plan, you simply pay into the Franklin Society ten dollars per month per thousand dollars borrowed. He will explain how, at the start, half of that monthly payment would go toward meeting interest charges on the loan at the regular six per cent rate while the other half would go toward reducing the unpaid balance. Thus, if your first payment were $80, $40 would go to meet interest and the other $40 would be applied to reducing the indebtedness.

He will then tell you that, in all subsequent payments, a decreasing part is devoted to interest on unpaid balance and an *in*creasing part to reducing the principal. This should appeal to you. For it is the heart and the soul of the Building & Loan plan and the feature which gives it its unique appeal. You only pay interest on what you owe; and what you owe decreases, at a constantly increasing rate, as time goes on.

Mr. Hennessey will also explain to you, no doubt, that by this ten-a-month-per-thousand schedule, the whole debt will be liquidated in eleven years and some months; but he will add: "Of course, you don't have to stretch it out that long if you don't care to. You could take up the whole loan at any time you chose. Or, you could reduce it at a more rapid rate if you chose." In other words, Building & Loan would work *with* you and *for* you—as long as you kept the faith.

And what would you have in the end? Well, for one thing, you'd have a house that you owned free and clear (unless, as some people do, you chose to maintain a small mortgage on it to add to its marketability). The residential expenses in your personal budget would consist solely of the carrying charges—taxes, water, insurance, repairs, etc.—incurred in maintaining the property. Assuming that you kept the establishment in a good state of repair—and that the site was reasonably well-chosen in the first place—you would have a property whose value would almost certainly be more than what you had paid for it and what you had spent on it.

Let us sum up: By deciding in favor of an attractive, suburban home, you would undoubtedly do better for yourself, considering your training, temperament and habits, than you could possibly do on a farm. By enlisting the cooperation of an honest-souled Building & Loan Association, you could finance the purchase easily and expeditously. By becoming a home owner, you would take your place alongside of the millions of others who have a stake in America and who would be more inclined to make America a better place to live in than you could otherwise expect. And your investment in the country would pay you dividends in happiness and health.

Here's Still Another Way to Invest That $300!

By Ralph Rushmore

READERS of Building Your Future Income can evidently put practical suggestions to good use.

A while ago the writer reported his "discovery" of an investment house, eminently reliable, which was prepared and willing to give small investors a square deal in the purchase of Baby Bonds. Some eight dozen readers immediately wrote in for "further information." Of course, they sought the name of the firm which journalistic ethics prohibited our mentioning in the editorial columns. A prompt answer was sent them all.

Later the writer took occasion to report that he had located another very honorable and reputable firm which was prepared to give investors a square deal in Instalment Plan Investing—that is investing on the basis of 20% down and the rest "as you can." Again that stream of letters. And again, as promptly as possible, the replies.

Very evidently, as we say, many readers of Building Your Future Income have good use for purely practical, and very definite information of this sort. They want to know not only *what* they can buy but also *where* it would be wisest, safest and most expedient for them to buy it.

It is as though the lesson of the bucketshop failures had seeped in. It is as though people were beginning to realize that, when purchasing securities, the agency you purchase them *through* will play almost as big a part in the success of the commitment as the character of the commitment itself.

These things being so, I see no reason why I should not go on giving practical suggestions of this sort—at least, when the occasion warrants.

And the occasion does warrant, right now.

Why the Occasion Warrants

The occasion warrants for this reason: I have looked into another type of Income Building of which comparatively little has been heard. I have looked into a particular house which offers to cooperate in this Income Building Type of investment—old to most people in The Street, but little known, perhaps, to many outside investors. And I have confirmed a belief, long held, that this type of investment, when selected through so reliable an agency, is one of the best of them all, from any Income Builder's point of view.

Building Your Future Income endeavors to supply practical, usable information to its readers. Inquiries relating to any individual investment problem are welcome—and no effort is spared to supply thoroughgoing answers.

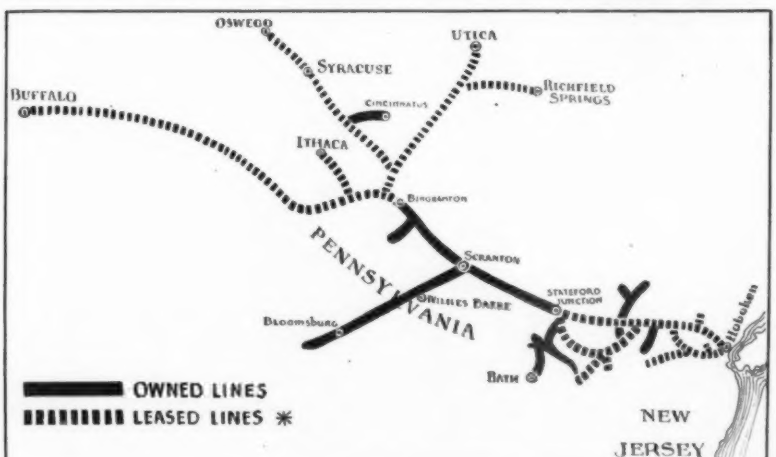
I refer to Guaranteed Stocks.

Guaranteed Stocks, in many cases, are more attractive than Baby Bonds, to many people, because they offer a permanent investment medium. The security behind them, and which makes them so appealing, represents a leasehold with, in many cases, 999 years to run. Not many of us expect to live that long.

Guaranteed Stocks, in many cases, are more attractive than high-grade railway or corporation bonds because they are available in small face amounts. Numerous opportunities exist to purchase Guaranteed Stocks at the rate of one or two shares at a time. It is possible to point out Guaranteed Stocks which could be purchased for the few odd dollars many men carry around in their pockets.

Guaranteed Stocks, in many cases, offer UNRIVALLED SECURITY. This, because of their very nature. In large degree, they represent the stocks of smaller railroad corporations whose lines are essential to large rail corporations. To secure their rights of way, in the cases referred to, the large corporations *leased* the small lines in question. The terms of the leases would provide a rental at a stipulated rate, always enough to cover interest and dividend requirements on the lessor road's bonds and stocks. The lease would be "good" only so long as this stipulated rental were paid. Thus, the lessee roads—that is, the large corporations—would *guarantee* payment of this stipulated rental, and the rental, in turn, would be wholly applicable to the securities of

What would the Lackawanna R.R. be without its Leased Lines?



**Represented in the market by a favorite investment medium known as Guaranteed Stocks*

By far the greater portion of the rail-lines of the Delaware, Lackawanna & Western R. R. are leased from a group of small corporations, dividends on whose stocks are guaranteed by the terms of the leases. Obviously, the leases represent security of the highest character, and that is the explanation of the high investment rating of guaranteed stocks

the leased line. As said above, the lease would in most cases be drawn practically in perpetuity—that is, for 999 years. Obviously, then, dividends from guaranteed stocks are as *certain* as the contract of the guarantor: And when it is realized that the guarantors of such stocks include such corporations as the Delaware, Lackawanna & Western Railroad, or the Southern Railway or the Pennsylvania Railroad Co., the security is unquestioned.

A further word should be said about the property security back of these stocks. Of course, were the terms of such leases, in individual cases, to be voided, the property covered would become the security for their principal value. Much depends, then, on the inherent values which such properties contain.

In this case, note a few examples: Back of one guaranteed stock is a large part of the property, as improved, upon which the Grand Central Terminal in New York now stands. The many millions expended in improving this property, coupled with the great enhancement in its principal value, combine to make the leased property a security of almost inestimable value.

Back of other guaranteed stocks are the very arteries (not the veins) of the D. L. & W. Seventy per cent of the Lackawanna's main line is security for guaranteed stocks.

Guaranteed Stocks are convenient. They are negotiable only when signed, and thus protected against theft, fire, etc. Income from them is paid by check and does not have to be collected.

Guaranteed Stocks, when carefully chosen, offer good marketability. They offer a good income return. They are prime collateral for loans.

Indeed, Guaranteed Stocks of the sort mentioned here rank with the highest-grade municipal bonds, in most respects, and are an improvement over municipals (1) in permanence, and (2) in denomination.

One or Two of Them Are Speculative

Of course, there are some guaranteed stocks of a speculative nature. For example, take the 5% stock of the American Telegraph & Cable Co., which is guaranteed by the Western Union: This property was leased for 50 years from 1882 at the dividend rental. The lease expires, therefore, in 1932—or 8 years hence. Whether or not Western Union will wish to renew this lease at that time is, of course, doubtful. What the property could do "on its own" with conditions what they may by then have become is similarly doubtful. Obviously, then, this security is speculative. That is why it sells in the present market at around $40 per share, or on a basis to yield some 12.50%! (Incidentally, just how fully this high yield is justified, despite all the uncertainties mentioned, is open to question. Deduct 6% from that yield—that is, deduct the income to which an investor may consider himself entitled *as income*—and you have an excess yield of 6.50% annually. Apply that 6.50% to a "write-off account" for the 8 years still to go, and at the end of the period you would have written the holding off by 52%, or to 19¼ per share. Off-hand, that would seem a pretty conservative figure on the shares of a property having two trans-Atlantic submarine telegraph cables extending between Senner Cove, England, and Dover Bay, Nova Scotia, maintained and renewed by the lessee.)

The great bulk of Guaranteed Stocks, however, are far from this speculative nature. Indeed, as suggested above, most of them are of a very superior sort from the most exacting investment view. The income from them and the principal values behind them are about as sure as anything could very well be in this world.

Income Builders would do well to study Guaranteed Stocks, and, when they have learned about them, to invest in them. Buy the *right* ones through the *right* people and there should be no regrets.

Points for Income Builders

Definitions of Some of the More Frequently-Used Financial Terms

UNDER the early real estate laws of England, a mortgaged property was property transferred from the mortgagor (borrower) to the mortgagee (lender) as a pledge for money loaned, the mortgagee assuming full possession of the property and the right to all rents and profits accruing from it during the term of the debt; and full title to the property passed to him (the mortgagee) upon default in the terms of the loan by the mortgagor. Thus, so far as the mortgagor (borrower) was concerned, the mortgage pledge was "*dead.*" And that explains the derivation of the term "mortgage," which means a "dead pledge."

The Modern Mortgage

Changes come with time in law as well as in life. Eventually the mortgage ceased to provide, as above described, for the transfer of a pledged property, and its earning power to the mortgagee during the life of the loan and the mortgage became a pledge in the modern sense, i.e.: The mortgagor (borrower) *retained possession* of the property pledged and *retained title* to the income and profits accruing therefrom, title to same passing from him to the mortgagee only in event of default under the terms of the mortgage instrument.

Thus a mortgage is no longer a "dead pledge," from the viewpoint of either of the two parties concerned. On the contrary, it is a very lively pledge and quite the most popular and universally used credit form in the economic life of this civilization.

First Mortgage

The First Mortgage on a property is just what its name would imply—the *ranking* pledge under which a loan on property is secured. It is a "lien" (or legal claim) which, upon failure of the mortgagor to live up fully to the terms of the instrument, comes before all other liens in its right to satisfaction.

Second Mortgage

Generally, the money loaned under security of a first mortgage on a property will represent a sum substantially smaller than the property's value. It is rather common practice to loan on first mortgage a sum equivalent to not more than 70% of the property, although the percentage is by no means standardized and varies greatly with cases.

However, the 70%—or other percentage—is not always enough to meet the requirements of the property holder. In such case, he often gives a Second Mortgage on the estate, the same ranking *after* the first as a lien upon same.

Obviously, a Second Mortgage does not represent the same prime investment security as a First. The risk is as much greater as the lien is "weaker." For this reason it is customary for the mortgagee to exact, in consideration of moneys loaned under Second Mortgage, a considerable bonus. Indeed, bonuses of 20 to 50% are not uncommon in the Second Mortgage field. Such bonuses have the effect of increasing the cost of the borrowed money from the 6% level prevailing in First Mortgages to very much higher—sometimes inhumanly higher levels. But the practice cannot be downed since, after all, the Second Mortgagee must be protected against, or reimbursed for, the risks he assumes.

Some day, some one with a gift for research will make an unprejudiced analysis of the second mortgage field with an eye to determining the average degree of risk involved. There are those who believe that such an analysis might lead to unexpected conclusions.

Public Utilities

Pittsburgh Utilities Corporation

A Unique Preferred Stock Deserving of the Consideration of Investors

Pittsburgh Utilities Participating Preferred Offers High Yield — Philadelphia Company Common the Backbone

IT is often among the little understood situations that the investor may secure a better yield with equal safety than he can obtain from the better known stocks or bonds. For example, the Pittsburgh Utilities Corp. is probably nothing more than a name to most people, but a very interesting situation is hidden in the 7% participating preferred stock ($10 par) that is listed on the New York Stock Exchange.

Table I—CAPITALIZATION OF PITTSBURGH UTILITIES CORPORATION

CAPITAL STOCK:	Authorized	Outstanding
7% cumulative preferred stock, (385,000 shares $10 par)	1,000,000 shs.	$3,850,000
Common stock, 240,000 shares (no par value, stated $5.00 per share)	500,000 shs.	1,200,000 (240.000 shs.)
COLLATERAL TRUST 5% BONDS:		
United Railways Investment Co. assumed, due 1926 (secured by 484,000 shares Philadelphia Co. com. stock)	......	$12,000,000

This Pittsburgh Utilities Corp. was incorporated under the laws of New York State on March 26, 1923, largely for the purpose of acquiring from the United Railways Investment Co. the latter's holdings of Philadelphia Co. common stock. The purpose of this transfer of ownership was to relieve the United Railways Investment Co. of the load it was carrying in its 5% collateral trust bonds, due 1926, and to enable the Investment Co. to obtain cash with which to pay off certain preferred dividend warrants, which complicated its capital structure and prevented the company from paying dividends on the preferred stock.

Not to go too deeply into detail, the result of the transaction was that the Pittsburgh Utilities Corp. acquired 492,000 shares of Philadelphia Co. common stock and assumed approximately $12,000,000 of the collateral trust 5% bonds of the United Railways Investment Co. which were still to be secured by the common stock of the Philadelphia Co. The capitalization of the Pittsburgh Utilities Corp. after this exchange was substantially as indicated in the accompanying Table I.

As a part of the initial transaction the United Railways Investment Co. acquired the 240,000 shares of common and the 385,000 shares of preferred of the Pittsburgh Utilities Corp. All of the Pittsburgh Utilities preferred stock was sold to the United Railways Investment Co. stockholders and to the public, and the proceeds of the sale were used to reduce the United Railways Investment Co. 5% bonds to approximately $12,000,000 outstanding before turning them over to the Pittsburgh Utilities Corp. and also to liquidate certain other indebtedness of the United Railways Investment Co., including the previously outstanding preferred dividend warrants.

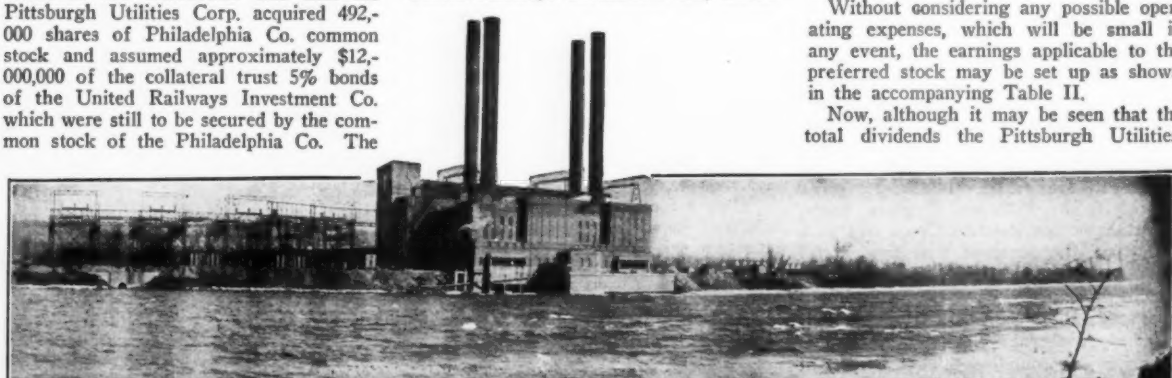
All of this transaction is somewhat complicated to follow out, but the interesting feature is that the Pittsburgh Utilities Corp. 7% preferred stock has a participating feature whereby the Pittsburgh Utilities preferred, after the payment of $2 per share on the Pittsburgh Utilities common stock, receives an amount equal to any additional dividend distribution on the common stock.

Earnings

The entire revenue of the Pittsburgh Utilities Corp. consists of dividends ($4 per share) on its holdings of 492,000 shares of Philadelphia Co. common stock. These dividends amount to an annual total of $1,968,000. Of course, before determining the amount applicable to dividends on the preferred stock we must deduct the 5% interest on the outstanding $12,000,000 United Railways Investment 5% bonds, which the Pittsburgh Utilities Corp. assumed. The sinking fund on these bonds was taken care of at the time of the transfer of ownership and need not be considered in our calculations.

Without considering any possible operating expenses, which will be small in any event, the earnings applicable to the preferred stock may be set up as shown in the accompanying Table II.

Now, although it may be seen that the total dividends the Pittsburgh Utilities



Colfax power plant of the Duquesne Light Co. of Pittsburgh, Pa., of which Philadelphia Co. is the holding company.

Table II—EARNINGS APPLICABLE TO PITTSBURGH UTILITIES PREFERRED

8% dividend on 492,000 shares Phila. Co. common stock		$1,968,000
Deduction: Interest at 5% on $12,000,000 United Railways Investment bonds		600,000
Balance for preferred and common dividends		$1,368,000
Deduction: Preferred dividend, 7% (70c a share) on 385,000 shs. preferred stock	$269,500	
Common dividend, $2.00 per share on 240,000 shs.	480,000	
		749,500
Balance to be divided equally between preferred and common		$618,500
Equals per share on 385,000 shs. preferred ($309,250 for the preferred)		$0.80
Total earnings per share on preferred stock (70c plus 80c)		1.50

Corp. could declare on its preferred stock amount to $1.50 a share, or 15%, the actual dividend declared on the preferred thus far has been at the annual rate of $1.20. The dividend on this stock is declarable semi-annually on the first days of May and November in each year. Last November, in addition to the regular 70c. per share, an additional dividend of $96,250, or 25c. a share, was declared. It is natural to assume that the May declaration will amount to a similar figure of $96,250, or 25c. a share, which will bring the annual distribution up to $1.20 a share. Such an assumption as this is predicated upon the fact that the United Railways Investment Co., which now derives practically all of its revenue from dividends on its holdings of Pittsburgh Utilities common stock, will desire to draw down as much as possible on this stock, because there is little to be gained by allowing any earnings to remain in the surplus account of the Pittsburgh Utilities Corp.

Future of the Preferred Stock

The Pittsburgh Utilities preferred stock is callable at 125%, or $12.50 per share, and it must be borne in mind that in 1926 the 5% bonds of the United Railways Investment Co. will have to be paid off or refunded, and it may be expected that a 5% rate will have to obtain on such a refunding bond issue, which will cut down the possible earnings on Pittsburgh Utilities preferred from $1.50 to a figure ranging between $1.20 and $1.30 or so per share.

There is a peculiar situation existing in this preferred stock when we come to consider its book value based upon the market value of its holdings of Philadelphia Co. common stock; at a market price of $44 for the Philadelphia common stock, the 492,000 shares amount to $21,648,000. If we deduct therefrom the $12,000,000 of 5% bonds we have remaining as a margin of safety for the $3,850,000 in 7% preferred stock an amount of $9,648,000, or approximately $25 per share preferred, two and one-half times the par value of the preferred. Of course, the preferred stock is only entitled to $12.50 a share in the event of liquidation, but there is apparently ample margin in assets behind this preferred.

This Pittsburgh Utilities preferred stock has been quite inactive on the Stock Exchange, with sales ranging from $10 to $10.50 per share or slightly better. Even if no extra dividend should be declared on the preferred stock and if it should only receive its 70c. or 7% dividend regularly, it would not be an unattractive purchase at $10 per share to yield 7%, when the excellent security it possesses consisting of two and one-half times its par value in Philadelphia Co. stock is considered. **But, when it is remembered that additional dividends ranging anywhere from 25c. up to 80c. per share may be expected from time to time, or even regularly, the stock would seem to merit decidedly more attention than it has yet received in the market.** If, as may be reasonably expected, it continues to pay at the annual rate of $1.20 per share, the yield at a market price of $10 per share is 12%, which is not to be found among many stocks intrinsically as sound as is this one.

No mention thus far has been made of the activities and earning power of the Philadelphia Co., but it is sufficient to note that the Philadelphia Co. common stock has paid dividends without interruption since 1885, except in one year, 1897. During this entire period the dividends on the common stock have averaged over 6% per annum. In July of 1923, the dividend was increased to $4 per share, or 8% per annum ($50 par stock). Such an uninterrupted and satisfactory dividend record is final evidence of the stability of the company whose common shares constitute the backbone of Pittsburgh Utilities preferred stock.

Interborough Rapid Transit Co.
Manhattan Railway Company

Throwing the Spotlight on Interborough's Earnings

Explanation of the Company's Seemingly Unprofitable Operations—Outlook for Interborough and Manhattan Railway Securities

RECENT earnings statements given out by the Interborough System have brought forth a maze of figures not easily understood. For instance, in the three months ended September 30th, 1923, a total deficit of $472,000 was reported, which was followed by a profit of one million dollars for the last quarter of the year. Yet as of December 31st, last, the management let it be known to a bewildered public that the total six months' operations had resulted in a $442,000 deficit!

The explanation of this inconsistency lies in the fact that an item, labeled "maintenance in excess of contractural provisions," was set up in the income account during October, last, and retroactive deductions were made for the months of July, August, and September. The deductions for the entire six months period came to 1.4 millions and represented the amount expended in excess of the per cent of gross allowed under the provisions of the contracts made with the City of New York. Just how long these deductions will continue is difficult to say, but in the meantime they reduce net earnings available for the Manhattan Railway stock to a rather serious extent. Had it not been for this unexpected item, earnings for the last half of 1923 would have been more than sufficient for dividend requirements, as can be seen from the accompanying table.

It is to be remembered that Interborough underwent a readjustment during 1922, which, among other things, removed the possibility of receivership and greatly reduced fixed charges. Approximately 92% of Manhattan Railway stockholders, who were receiving 7% annually as rental under the original lease, consented to a plan reducing dividends to:

3% for the fiscal year beginning July1, 1922,
4% for the fiscal year beginning July 1, 1923,
5% for each subsequent fiscal year beginning July 1, 1924.

These dividends are cumulative and are payable out of the earnings of the entire Interborough-Manhattan System, after deducting taxes, interest, sinking fund and other charges. Payment is mandatory, if the required amount is earned, and each quarterly instalment of dividend rental shall be based upon the earnings for the quarter ending three months prior to the date payable.

Under the provisions of this plan, directors of the Interborough deferred the January 1st quarterly dividend rent instalment due on Manhattan Railway stock inasmuch as a deficit was reported for the quarter ending September 30th, last. Since net for the final quarter of 1923, however, totaled 1.1 millions even after excess maintenance, the regular quarterly disbursement of $1 a share will in all probability be declared on April 1st, 1924. Subsequent payments will, of course, de-

(*Please turn to page* 716)

Ray-Chino Merger Forced By Copper Conditions

Increased Costs and Unsatisfactory Price for Metal Impelling Factors—Flood of South American Copper — Kennecott's Earnings and Market Status

TABLE I

OUTPUT OF TWO COPPER COMPANIES

	CHILE lbs.	BRADEN lbs.
1914.......	....	26,523,000
1915.......	9,560,000	36,397,000
1916.......	42,624,000	42,153,000
1917.......	86,417,000	63,774,000
1918.......	102,137,000	77,152,000
1919.......	76,718,000	42,002,000
1920.......	111,130,000	64,918,000
1921.......	54,005,000	27,461,000
1922.......	134,569,000	93,877,000
1923.......	*190,000,000	*120,000,000

* Estimated.

WITH the rails on the strong upturn, the oils coming along at a merry clip in the market, and leading industrials making new high records almost weekly, it must be particularly galling to the holders of copper stocks to see them lagging in the grand procession, like the feet of tired school children.

The reason for that is no secret and has been stated many times in the last year in these columns. Copper and copper companies are suffering from the same blight which threw the oil industry into spasms in 1923—overproduction. There is nothing the matter with consumption. For though Europe was backward last year, and will continue to be a laggard in copper consumption until order commences to emerge from chaos abroad, copper consumption, as a whole in 1923, was very large and would have been sufficient to take care of a normal 1923 output. But the copper output of the last two years has shown a disproportionate increase to the growth in consumption. Laggard copper prices and laggard copper securities are the inevitable corollary. The very great increased production of mines in South America, notably Chile and Braden, were the straws which broke the back of the copper camel, as indicated by the accompanying Table Number I.

There have been no official production figures for 1923 issued by Chile and Braden, but the table's 1923 estimates will not be found far out of the way. It will be perceived that since 1921 the output of these two mines alone has increased nearly 230,000,000 lbs. annually, which represents a gain of nearly 300%. Small wonder, then, that the copper market has dragged and continues to drag.

The Ray-Chino Merger

One of the logical solutions of the present top-heavy copper situation is the merging of leading companies into a less number of operating units than now exist. This will mean reduced operating costs and better control over production. There has been a steady trend towards consolidation during the last few years, and the latest development is the proposed Ray Consolidated-Chino Copper merger.

By the time this article appears in print the stockholders of those two companies will have met and passed upon the merger proposition. It is proposed to give 1⅔ shares of Ray for each share of Chino. Ray has an authorized capitalization of 1,600,000 shares, par $10, with 1,577,179 shares outstanding. Chino has an authorized capitalization of 1,000,000 shares, par $5, with 900,000 outstanding. To provide the 1,500,000 shares required to take over Chino's stock, it will be necessary to increase Ray's capitalization to 3,100,000 shares, or $31,000,000 par value.

The immediate benefits to be gained, from the corporate standpoint, lie in a consolidation of business and production which will make for economy and advantage in overhead and organizational expenses, in the disposition of product and otherwise. In short, greater operating economy and hence increased margins of profits.

Ray's Record

Incorporated in 1907, Ray Consolidated owns 2,057 acres at Ray, Arizona. Ore reserves, as last reported, totaled 81,463,000 tons, averaging 2.06% copper. The company owns an 8,000-ton mill at Hayden, Arizona, and has a contract with the American Smelting & Refining Company for smelting concentrates at the latter's smelter at Hayden, Arizona. Earnings and dividends in recent years have been as indicated in Table Number II.

This table shows that the past few years, in particular, have been unsatisfactory ones for Ray, and indicates the necessity for action along the lines of consolidation. In 1922, Ray produced 28,000,000 lbs. of copper at a cost of 12.4c. a pound before depreciation and depletion. Last year's out-turn will approximate 60,000,000 lbs., which is likely to show little, if any, profit after depreciation and depletion. On a 14c. copper market, and under present conditions, Ray can be counted upon to about break even, and is losing money in the present 13c. copper market.

Chino's Status

Chino came into existence two years after Ray, having been incorporated in 1909. The beginnings of Chino date back to the time of the Spaniards in southwestern United States, the Chino property having been known as the Santa Rita

TABLE II

EARNINGS OF RAY CONSOLIDATED

	Net Oper. Profits	Net Income	Earned Per Share	Paid Per Share	Year's Surplus
1913..............	$2,497,219	$2,675,193	$1.85	$1.12½	$1,043,688
1914..............	2,316,240	2,395,623	1.65	.75	1,306,301
1915..............	4,373,371	4,589,143	3.08	1.25	2,716,823
1916..............	11,860,150	12,084,166	7.65	2.75	7,746,211
1917..............	9,978,656	10,416,303	6.60	4.20	3,792,151
1918..............	4,414,112	4,803,456	3.05	3.25	d322,376
1919..............	1,066,519	1,666,271	1.05	2.00	d1,488,087
1920..............	656,455	911,675	.58	1.00	d665,504
1921..............	d321,493	d1,598,318	....	....	d1,598,318
1922..............	221,296	d433,114	....	....	d433,114

d Deficit.

TABLE III

EARNINGS OF CHINO COPPER

	Net Oper. Profits	Net Income	Earned Per Share	Paid Per Share	Year's Surplus
1913	$3,190,293	$3,021,887	$3.51	$2.25	$1,102,817
1914	3,074,823	2,992,299	3.44	2.50	823,235
1915	6,688,729	6,656,719	7.67	3.00	4,046,859
1916	12,517,876	12,527,948	14.40	8.25	5,350,613
1917	9,826,616	9,800,975	11.27	9.90	1,188,173
1918	4,010,272	4,053,324	4.66	4.50	138,414
1919	1,038,906	1,106,497	1.27	3.00	d1,501,433
1920	1,102,200	1,319,841	1.52	1.12	340,813
1921	d182,636	d1,314,205	....	....	d1,314,205
1922	445,571	d848,785	....	....	d848,785

d Deficit.

mines. It required the development of the Jackling method of handling large bodies of low grade copper ore, to render Chino a commercial proposition.

This company has an authorized capitalization of 1,000,000 shares, 900,000 outstanding, par $5. Upon completion of the proposed merger with Ray Consolidated the company will dissolve and the name Chino will become a memory of the past.

Chino's mining properties totaling 3,625 acres, are situated in Grant County, New Mexico, fifty miles north of Deming with which Chino is connected by the Santa Fe Railroad. In addition, there are 120 acres of agricultural lands and 19,891 acres surrounding mill sites and springs. Ore reserves totaled 102,000,000 tons, round figures, as of December 31, 1922, averaging 1.5% copper. Of this ore, approximately 90% can be mined by steam shovel. In effect, then, Chino is nothing more than a great open air pit in contradistinction to underground vein mines. Chino's reserves give a lite to the property, on the basis of present rate of extraction, of about 24 years. Ray has a theoretical life of 23 years.

Chino's mill has a rated capacity of 12,000 tons daily. Chino's earnings and dividends for the las. ten years are shown in table number IIII.

Chino is in the same box with Ray Consolidated. With copper hovering around 13c Chino cannot make anything for its shareholders. Chino's production for 1923 will be in the neighborhood of 50,000,000 lbs., but after depreciation and depletion the company is likely to show a deficit for the year.

Ray Consolidated at 11 a share and Chino at 18 are not particularly inviting under present copper conditions. Through the consolidation, important operating economies can be effected which will enable the merged companies to show better results. But their real salvation lies in an improvement in copper prices and there does not appear to be anything very promising in sight along that line at the present writing. Europe's rehabilitation or further centralization of the copper industry would be distinctly bullish arguments, but neither of those remedies appears to be near at hand. **We are of the opinion that the intending purchaser of either of these securities would do well to wait until the price of copper shows definite and permanent signs of improvement.**

Kennecott a Low Cost Producer

Outlook for the Stock

HAD Chile Copper not been taken over by Anaconda it undoubtedly would have been acquired by Kennecott. The latter began its corporate existence in April, 1915, and was originally the Kennecott Mines Co. and the Beatson Copper Co., two copper developments in Alaska. The Guggenheims sponsored the original company with Morgan backing. Nothing less than the strongest kind of financial support would have sufficed, since Kennecott was obliged to spend upwards of $20,000,000 in the construction of the Copper River & Northwestern Railroad in order to tap the tremendously rich ore bodies in Alaska owned by the company. In line with the consolidation trend which has characterised the copper industry in the last few years, Kennecott has gradually extended its operations and holdings in other companies. Its properties now consist of the high grade Bonanza and Jumbo mines in Alaska, the Copper River & Northwestern Railroad which is about 200 miles long connecting the Alaska mines with the sea at Cordova, the Beatson mine, a low grade copper property on La Touche Island, Alaska, the Braden mines in Chile, about 77% of the stock of the Utah Copper Co., about 50% of the stock of the Mother Lode Coalition Mines Co., which owns a high grade copper adjoining the Jumbo and Bonanza properties in Alaska, and control of the Alaska Steamship Co. The Alaska properties began shipments in 1911.

Kennecott has an authorized capital stock of 5,000,000 shares of no par value of which 3,860,000 shares are outstanding. The authorized capital was increased from 3,000,000 shares to 5,000,000 in April, 1923, to provide for the acquisitions of Utah stock on the basis of 1¾ shares of Kennecott for 1 share of Utah. At that time, President Burch of Kennecott stated that Kennecott company had a potential output of 600,000,000 lbs. of copper annually, and that costs of production for that tonnage would be the lowest in the world. The accompanying table gives the record of Kennecott's earnings for the last eight years.

Net earnings of copper companies must be taken with a grain of salt, for since the matter of taxes became of supreme importance, it is the custom of mining companies to charge all the law will allow to depreciation and depletion. Kennecott is paying $3 annually in dividends, and even at the present low prices for copper is in all probability comfortably earning its dividends.

Position of Stock

On a price of 37, and paying $3 a share, Kennecott returns about 8% on the investment. On an investment basis, though the return is not high for a mining stock, and for a long pull, Kennecott is not unattractive. In this connection, however, the same observation we made in reference to Ray and Chino holds good. We believe the prospective purchaser would show good judgment in waiting for the future of copper to become more clear before making commitments in this issue. **There are other securities in other industries which offer about as much in the way of return and which present better prospects of advances in market quotations. Incidentally, this remark holds good for most of the copper stocks at present.**

RECORD OF KENNECOTT

	Net Oper. Profits	Net Income	Earned Per Share	Paid Per Share	Year's Surplus
1915*	$7,731,893	$6,587,052	$2.39	....	$6,573,797
1916	22,460,519	27,661,713	9.92	$5.50	12,341,430
1917	11,817,196	11,545,419	4.14	3.70	d10,318,785
1918	9,431,292	7,127,004	2.56	2.00	1,402,915
1919	2,512,395	446,871	.16	1.00	d2,340,202
1920	3,251,491	1,469,397	.52	1.00	d1,317,684
1921	d1,274,431	d389,858	....	....	d389,858
1922	3,151,564	804,176	.29	....	804,176

* 7 months ended December 31st. d Deficit.

ANSWERS TO INQUIRIES

Industrial Inquiries

LEHIGH VALLEY

Segregation of Coal Property

Please let me have particulars of the Lehigh Valley segregation plan and your opinion of the stock.—S. T., Morristown, N. J.

Stockholders of Lehigh Valley are entitled to subscribe to stock of the new coal company share for share at $1 each. The coal stock is selling on the New York Curb around $35 so that the rights are worth approximately $34. Earnings of Lehigh Valley Coal Company for 1923 are estimated around $4 a share, but it is not expected that this company will start dividends at over $2. At 35, the stock appears high enough. Lehigh Valley stock ex the rights will sell around 38. Dividends at the present time are at the rate of $3.50 per share per annum, and, if such rate can be maintained a price of 38 for the stock would not be high. Based on earnings for the past three years, continuance of the present rate would not seem well assured, but the company has spent heavily for maintenance, and operations from now on are expected to be on a more favorable basis. There appears to be good reason for the belief that the present rate can be maintained. The stock has prospects of a further moderate appreciation in value, but any important upward move from these levels does not appear warranted, and we feel that there are better possibilities in other issues. If you hold the stock our suggestion would be that you take profits around present levels and switch into Bethlehem Steel, paying 5% and selling around 60, or into Great Northern preferred, paying 5% and selling around 59.

SINCLAIR CONSOLIDATED

7% Bonds Well Fortified

Part of my funds are invested in Sinclair Consolidated 7% bonds and in view of the likelihood of the Teapot Dome lease being cancelled I want your opinion as to what effect this may have on the status of this issue. I would have to take a loss if I sold.—B. J. L., Flint, Mich.

Loss of the lease of Teapot Dome should not affect Sinclair Consolidated to any important degree. As a matter of fact, it may be a favorable development as the oil recoverable has turned out to be far below expectations. We see no reason why you should dispose of the First lien and collateral 7s. They constitute practically a first mortgage on all Sinclair's property in the United States except the pipe-lines. Sinclair at the present time is paying out dividends on its preferred and common stocks an amount equal to twice the interest on this bond issue, so you can readily see it is in a strong position, especially as the outlook is for continued improvement in the oil industry.

HUDSON MOTOR

Stock Good Holding

My present holding consists of 100 shares of Hudson Motor.—A. V., St. Louis, Mo.

Hudson Motor stock we consider a good long-pull holding. This company earned twice the present dividend of $3 in 1923. The management is efficient and progressive, and we believe that it will hold its own in the automobile industry. Our advice is to hold the stock.

BROOKLYN-MANHATTAN TRANSIT

Earning $2 a Share on Common

Do you consider Brooklyn-Manhattan Transit a good stock to hold for a long pull?—N. F. R., New York City.

We consider that you have a good long-pull holding in Brooklyn-Manhattan Transit common stock. The reorganization plan left the company in good financial condition. Earnings for the six months ended December 31, 1923, were equal to a little over $1 per share on the common stock or at the rate of better than $2 per share per annum. With traffic constantly increasing on its lines and the outlook for greater revenue when certain extensions are completed, we feel that earning power in the future will increase and that the stock will gradually sell higher.

ST. PAUL

Earned Fixes Charges in 1923

Your advice is desired on the following stocks: St. Paul common, bought at over 100, and Pennsylvania bought at 50.—L. B. N., Hartford, Conn.

Chicago, Milwaukee & St. Paul common stock is, of course, a decided speculation, but in view of the large loss it shows you and the improvement in earnings in 1923, we believe it is best to retain the stock at this time. In 1923, St. Paul covered its interest charges despite the fact that unusually large sums were spent for maintenance. As a result the road is in excellent physical condition and should not have to spend nearly as much for maintenance in the current year. We therefore anticipate a better showing for 1924, and this will probably be reflected by somewhat higher prices for its securities.

Pennsylvania Railroad stock we consider a good long-pull holding, but there is little

ASSOCIATED OIL IN FAVORABLE POSITION

Has Twenty Million Barrels of Oil in Storage Which Was Purchased at Low Prices

I have been advised to buy Associated Oil for a substantial advance in price. This company, I am told, has a large quantity of oil in storage and should show handsome profits this year. What is your opinion?—A. K., Philadelphia, Pa.

Associated Oil, in our opinion, is now in a very favorable position. In 1923, the company sold 24 million dollars of 6% notes and used these funds largely for the purchase of oil at the low prices then prevailing. As a result, its storage tanks and reservoirs are filled and it is estimated that the company has over 20 million barrels of crude on hand. California crude has already advanced 25 cents a barrel and further advances in price are anticipated in view of the steadily decreasing production of oil in that State.

Associated Oil has about 1,500 producing wells with an estimated capacity production of around 100,000 barrels a day. In 1923, despite low prices and the fact that a considerable percentage of its production was shut in, it is estimated that the present dividend of $1.50 a share was earned with a fair margin to spare. Associated is a well-rounded organization with pipe lines, tankers and an extensive distributing system. Its refinery at San Francisco has a capacity of 50,000 barrels a day. Pacific Oil owns 58% of the 2,240,000 shares of outstanding stock. At around current levels of 30 we consider the stock an excellent purchase for a long pull.

prospect of any increase in the present dividend rate, and we feel that there are better opportunities for profits in other issues. We suggest a switch into Owens Bottle, paying $3 per share per annum and selling around 44. Owens Bottle is a very strong organization, it is the dominant factor in its industry, and we believe that stockholders can confidently look forward to higher dividends in the future.

AMERICAN WATER WORKS

Participating Preferred Attractive

I am told that American Water Works & Electric Co. is showing very good earnings and that the stocks are attractive. I already have some of the 1st preferred stock but am thinking of buying either the prior preferred or the common. Which, if either, do you favor most?—R. P., Rutherford, N. J.

American Water Works & Electric Company earnings have been steadily increasing, and we see no reason why these earnings should not continue on a favorable basis. The common stock has had a very substantial advance in price, and we consider it in a rather speculative position at these levels. Instead of purchasing this, we would suggest the 6% participating preferred, selling around 67. This is only paying 4%, but as the company is earning the dividend more than three times over a 6% rate is likely to be paid in the near future, and the stock seems low at these prices.

EMPIRE DISTRICT ELECTRIC PREFERRED

Dividend Well Protected

Any information you can give me in regard to earnings of Empire District Electric will be appreciated. What is your opinion of the preferred?—S. T., Philadelphia, Pa.

Dividends have been regularly paid on Empire District Electric preferred stock at the rate of 6% since April, 1918. With the single exception of 1921, earnings have shown a substantial margin over preferred dividends, and in 1923 the preferred dividend was earned five times over. While we have previously considered this issue rather speculative, receipt of data bearing on last year's earnings, leads us to revise our opinion. We therefore consider the stock a good business man's investment.

UNITED ALLOY STEEL

Outlook Encouraging

What is your opinion of United Alloy Steel? I have 750 shares of this stock.—B. C., Scranton, Pa.

With respect to your holdings in United Alloy Steel Company's stock, we note you hold 750 shares of this stock, and, in our judgment, it is not very good policy to concentrate so much on one security. It is more advisable to limit the risk in order that the unforeseen contingencies that might affect any one company will not bear too heavily. However, so far as United Alloy Steel is concerned, it is our judgment these shares have possibilities of further enhancement in value from present levels. The company has profited greatly from the activities in the automobile industry, and the present year promises to be another good one for the motor manufacturers. The company is earning around $4.50 a share on the 800,000 shares of common outstanding.

CENTRAL LEATHER

Common Stock Unattractive

A short time ago I purchased 500 shares of Central Leather common stock at an average price of 12. Do you advise taking profits at present price or sit tight for a greater advance?—H. E., Springfield, Mass.

We believe the main trend of the stock market is upward, but we consider it advisable for you to take your profit on Central Leather common at this time. While the outlook is for some improvement in this industry, Central Leather may report another deficit for the quarter ended December 31st, and the common stock now appears very far removed from any dividend possibility. It is preceded by a preferred issue on which nothing is being paid and on which back dividends are continuing to accumulate. We believe you would improve your position by switching into the following issues:

	Dividend	Price
Philip Morris	0.50	22
Brooklyn Manhattan Transit	—	16
Moon Motors	3	26
Vivaudau	2	13
Wright Aeronautical	1	12

Vivaudau is paying its dividend at the present time in 7% preferred stock in order to use the cash in expanding its business. We have been impressed with the constant increase of sales the company is showing, and we believe an optimistic view is warranted.

TWO SWITCHES SUGGESTED

With Better Profit Possibilities

Your advice as to the advisability of continuing to hold Adams Express will be appreciated.—J. B. N., Bronxville, N. Y.

Adams Express Company's stock is not without possibilities, but we are frank to say that we are not particularly enthusiastic over it at present levels, and it is our judgment that you would better your position if you were to sell the stock and reinvest proceeds in California Packing Company common which is selling at around 85 and paying dividends at the rate of $6 per annum. Aside from the better speculative possibilities in the Packing Company's shares, you will also receive a higher income.

We also recommend the sale of your Pennsylvania Coal & Coke stock and reinvest proceeds in the Martin Parry Company's shares which are selling at around 35 and paying dividends at the rate of $3 per annum. The outlook for the coal industry is not very encouraging while there is a continued demand for the products of the Martin Parry Corporation, which consists of standardized commercial automobile bodies. Last year over $6 a share was earned on the 100,000 shares of stock outstanding, and the continued increase in the company's business should, in our view, be ultimately reflected in higher prices for the stock.

WANTS SAFE INVESTMENTS

Seven Sound Securities Suggested

Recently my brother and I disposed of our interest in a factory and we now have several thousands available for investment. We want to invest this money safely but do not want too low a return. Can you suggest a few securities that you consider safe and that will return at least 6%?—P. H., Wilmington, Del.

In our opinion, you can invest your money with a reasonable amount of safety at a rate to yield you between 6% and 7% at the present time. In doing this, it is well to diversify, however, and not to put all your eggs in one basket. The following list, we feel, will meet your requirements:

Bonds:		*Price*	*Yield*
Anaconda Copper first 6s, due 1953		96	6.2%
Armour & Co. of Del., 1st 5½s, due 1943		89	6.5
American Water Works & Elec. collat. 5s, due 1934		85	6.9
St. Louis & San Francisco prior lien 4s, due 1950		66½	6.75
Preferred stock:	*div.*		
North American Co. pfd.	3	45	6.7
Philadelphia Co. pfd.	3	43½	6.9
American Smelting and Refining	7	97	7.2

UNITED BAKERIES

Merger With Ward Company Planned

Will be glad to have your opinion of United Bakeries common and preferred stock.—C. D., New Rochelle, N. Y.

United Bakeries common stock is, of course, a speculation, but as a speculation, we consider it reasonably attractive. This company has good management, and, while the common is not paying any dividends, earnings are apparently sufficient to warrant dividends at an early date. Another point to consider is that it is planned to merge this company with the Ward Baking Company, and this combination would make a very strong organization. Of course, the common stock has had a very substantial advance in price recently and may be high enough for the time being. We consider the $8 preferred

(Please turn to page 714)

Fifth Installment *Questions and Answers*

Income Tax Department

Conducted by M. L. SEIDMAN, C. P. A.

SO many readers' questions have accumulated that it has been deemed advisable to devote this entire article to the presentation and answer of some of them. Only those that present novel questions or are of general application are here included.

Mortgages on Sale of Real Estate

Q. In 1913 *I bought real estate for* $15,000. *I sold it this year for* $70,000, *receiving* $10,000 *in cash and a mortgage payable in small amounts during the next* 12 *years. I am told that I need not pay income tax on that portion of the profit that is represented by mortgage, and that my profit will not be taxed until the cash amount received is in excess of the original cost of the property. Will you please advise me on this and also tell me the amount of tax I shall have to pay if mortgagor decides to liquidate his entire indebtedness.—E. A. S.*

A. If the mortgage that you took back in the sale of your real estate has not a readily realizable market value, the profit need not be reported until the cash received by you exceeds the original cost of the property less depreciation.

If the mortgage has a readily realizable market value, that is, it can be easily discounted without a substantial loss, you would be subject to a tax on the difference between the cash plus the value of the mortgage and the depreciated cost of the property, in the year in which the sale was made. You could elect to report on an installment basis, that is, report in each year the proportion of the total profit to be made that the cash received that year bears to the total selling price.

If the mortgagor decided to liquidate the entire indebtedness in one year, your profit would be the balance of the amount previously unreported.

I might call your attention to the fact that if the property has been held by you for profit, the maximum tax rate on the profit derived from the sale is 12½% under the capital gain section.

Profit on Liberty Bonds

Q. (a) In 1921 *I purchased Liberty Bonds and in* 1923 *sold them at a profit of about* $2,300. *In my income tax statement, should I include this?*

(b) I sold some stocks at a loss. I have been told to calculate the amount of tax and deduct the loss from the tax. Is that correct, or should I deduct this loss from gross income in calculating my net income, and then calculate the tax?

(c) Is interest from Liberty Bonds (4th *issue) exempt from all income tax or only from normal tax?*

(d) Are dividends of all domestic corporations exempt from normal tax?—G. F. S.

A. (a) The profit on the sale of the Liberty Bonds is taxable. If you held the bonds more than two years, the maximum tax rate on such profit is 12½%.

(b) The loss on your stocks cannot be deducted from the tax, but from your income subject to tax.

(c) Interest on the Fourth Liberty Loan is exempt from all normal tax. The interest on $50,000 of such bonds is exempt from surtax as well. The interest on a principal in excess of that amount is surtaxable.

(d) Dividends on stock in domestic corporations are for all practical purposes exempt from normal tax.

Dividends from Mining Companies

Q. I have had three distributions on the Chile Copper stock I hold. How shall I treat them in my income tax report for 1923*?—O. L. H.*

A. The distributions that you received from the Chile Copper Co. should be treated by you as a dividend to the extent that the company had a surplus from which to make the distribution. If, however, the company was distributing capital, to that extent it is not a dividend, but a partial return to you of your investment. Only when such returns exceed the original cost of your stock will they be taxable to you. This matter should be taken up with the company in order that the exact status as between capital and surplus distribution may be obtained.

Joint Returns and Exemptions

Q. The combined income for myself and wife for the year 1921 *amounted to* $5,080. *Along with this I received* $1,500 *in dividends, making a total of* $6,580. *We made separate returns on Forms* 1040*A blanks, and I claimed an exemption of* $2,500. *Government writes us now that we are only entitled to personal exemption of* $2,000 *and assesses us* $20 *additional tax, plus* $2.00 *interest at the rate of* ½% *per month from March* 15, 1922. *Must I pay this tax? If I do, they will follow us for the same thing in* 1922. *On what grounds can I deny its payment?—M. J. T.*

A. The regulations under the income tax law clearly cover your situation, and it is provided that if the aggregate income of the husband and wife exceeds $5,000 the personal exemption that they may make as a unit is $2,000, divided between them in any manner they see fit, if separate returns are filed. Accordingly, you will have to pay the additional assessment.

Canadian's Income

Q. Referring to your second installment, income tax department, I would like to have your answer in the following case:

Husband's income from dividends of American stock (Canadian).....$4,500

Wife's income from the same source (Canadian) $1,200

Husband makes return, although no tax is due. Is wife

(Please turn to page 735)

This is the fifth of a series of articles on the income-tax requirements, which will appear regularly. Mr. Seidman is chairman of the Committee of Tax Consultants of the Committee of American Business Men. He is a well-known tax expert and has written numerous articles on taxation. Mr. Seidman will answer any question on the subject directed to him by our subscribers. Such questions should be addressed to the Tax Editor. To receive attention, all communications should be signed by the writer. Mr. Seidman's answer, however, when published, will not reveal the identity of the inquirer. No letters will be answered after March 1.

New York Stock Exchange

	Pre-War Period 1909-13		War Period 1914-18		Post-War Period 1919-1923		1924		Last Sale Feb. 7	Div'd $ Per Share
RAILS:	High	Low	High	Low	High	Low	High	Low		
Atchison	125⅞	90¼	111¼	75	108⅛	91¾	102¼	97⅛	100½	6
Do. Pfd.	106¾	96	102⅛	75	95⅛	72	89½	86½	‡88	5
Atlantic Coast Line	148½	102½	126	79⅞	127	77	116⅞	112	114	7
Baltimore & Ohio	122¼	90⅝	96	88¼	60¼	27⅝	60½	57⅛	58	5
Do. Pfd.	96	77⅛	80	48¼	66¼	38½	59½	58⅛	‡59	4
Canadian Pacific	283	165	220⅛	126	170⅞	101	150⅞	145¾	148⅞	10
Chesapeake & Ohio	92	51⅛	71	35⅝	79	46	77⅜	71	75¾	4
Ches. & Ohio Pfd.	..	..	..	..	105⅝	96	102	99½	‡101⅞	6½
C. M. & St. Paul	165⅛	96¾	107⅛	35	52¾	11¼	18⅛	13⅝	16	..
Do. Pfd.	181	130½	143	62½	76	20⅝	28	23⅛	26⅛	..
Chicago & Northwestern	198½	123	136⅞	85	105	45⅞	54⅛	49¼	54¼	4
Chicago, R. I. & Pacific	..	..	45¾	16	50	19⅛	27⅜	23¾	25¾	..
Do. 7% Pfd.	..	..	94¾	44	105	64	83	77	80	7
Do. 6% Pfd.	..	..	80	35¼	93¼	54	69⅞	65⅝	69⅜	6
Delaware & Hudson	200	147½	159½	87	141½	83¼	111½	107⅛	110¾	9
Delaware, Lack. & W.	340	192½	242	160	260½	93	114	111	‡113	6
Erie	61¼	33½	59½	18¾	22¾	7	28⅛	20¾	27¼	..
Do. 1st Pfd.	49¾	26¼	54¾	15⅛	33	11⅛	34⅞	29	34⅛	..
Do. 2nd Pfd.	39⅛	19½	45⅝	13⅛	27⅝	7⅛	30	25⅛	‡30¼	..
Great Northern Pfd.	157⅞	115½	134¾	79¼	100⅝	50⅝	59¾	54⅜	59⅝	5
Illinois Central	162⅛	102¾	115	85¾	117½	80⅞	104¼	101½	104¾	7
Kansas City Southern	50¼	21⅜	35⅛	13½	28⅞	13	21¾	18⅛	20⅝	..
Do. Pfd.	75½	56	65½	40	59½	40	53⅝	52	53½	4
Lehigh Valley	121¼	62½	87⅛	50⅜	72	39¾	72⅜	61	71	3½
Louisville & Nashville	170	121	141⅞	103	155	84¾	90¾	87⅜	‡89	5
Mo., Kansas & Texas	51⅛	17½	24	3⅛	*19¾	*¾	13¼	11⅜	12½	..
Do. Pfd.	78¼	46	60	6½	*48¾	*2	34½	30¼	33½	..
Mo. Pacific	*77½	*21½	38½	19⅞	38⅞	8¼	13	9¾	12⅞	..
Do. Pfd.	..	..	64⅞	37½	63¾	22¼	35⅞	29	35½	..
N. Y. Central	147¾	90⅜	114¼	62½	107¼	64⅛	106⅛	101⅝	102⅝	7
N. Y., Chicago & St. Louis	109¾	90	90¾	55	91½	23¾	79½	76⅞	78½	6
N. Y., N. H. & Hartford	174¾	65⅝	89	21½	40⅞	9⅝	20¾	14⅛	19⅛	..
N. Y., Ont. & W.	55⅜	25⅛	35	17	30½	14¼	19⅞	17	19	..
Norfolk & Western	119¼	84¼	147⅛	92⅝	125⅛	84¼	106⅞	102½	106¼	8
Northern Pacific	159½	101¾	118⅞	75	99⅞	49¾	55⅝	50⅞	55⅜	5
Pennsylvania	75⅝	53	61½	40¼	49¾	32¼	46¾	42¼	44¾	3
Pere Marquette	*36½	*15	38⅛	9½	47¼	12⅛	45⅜	41	44½	4
Pitts. & W. Va.	..	..	40⅜	17¾	94	21⅛	45⅜	38	43⅞	..
Reading	89⅝	59	115½	60⅛	108	60¾	79	55¾	57	4
Do. 1st Pfd.	46¾	41¼	46	34	61	32⅞	36½	35⅛	‡36⅜	2
Do. 2nd Pfd.	58¾	42	52	33¼	65½	33¼	56	33⅛	34⅞	2
St. Louis-San Francisco	*74	*13	50½	21	38⅞	10¾	24⅛	19¼	23⅛	..
St. Louis Southwestern	40⅜	18½	32⅛	11	40	10⅞	42⅞	33	40⅝	..
Southern Pacific	139⅛	83	110	75¾	118⅛	67½	89¼	86⅝	89¼	6
Southern Ry.	34	18	36¾	12½	38⅝	24¾	48⅝	38½	47⅛	..
Do. Pfd.	86⅞	43	85¼	42	72½	42	72	66¾	71½	5
Texas Pacific	40½	10¼	29½	6½	70½	14	26	19	25¼	..
Union Pacific	219	137¾	164⅜	101¼	154¾	110	131⅝	128	131⅝	10
Do. Pfd.	118½	79¾	86	69	80	61¼	73½	71¾	73	4
Wabash	*27⅞	*2	17½	7	14⅜	6	14½	10¾	14¼	..
Do. Pfd. A	*61¾	*6⅛	60½	30⅞	38	17	44⅛	34	43	..
Do. Pfd. B	..	..	32⅞	18	25½	12¼	28½	22⅛	28⅛	..
Western Maryland	*56	*40	23	9¼	17¼	8	11⅜	9½	10½	..
Western Pacific	..	..	25½	11	40	12	18	14¾	‡17¼	..
Do. Pfd.	..	..	64	35	78	51⅛	62	58	‡61	6
Wheeling & Lake Erie	*12⅞	*2½	27⅜	8	18¼	6	9¼	7½	8⅞	..
INDUSTRIALS:										
Adams Express	270	90	154½	42	84	22	79¾	73½	78½	6
Allied Chem.	..	..	..	..	91¾	34	74⅝	68⅞	71¼	4
Do. Pfd.	..	..	..	..	115½	83	113½	110¼	113½	7
Allis-Chalmers	10	7⅝	49⅛	6	59¾	26½	50½	45¼	50⅜	4
Do. Pfd.	43	40	92	32½	104	67½	96¾	92⅞	96	7
Am. Agr. Chem.	63⅝	33½	106	47¾	113¾	10⅛	17	14	14¼	..
Do. Pfd.	105	90	103½	89⅛	103	28¼	49⅝	37⅛	‡39½	..
Am. Beet Sugar	77	19¾	108½	19	103¾	24½	49½	40½	48½	..
Am. Bosch Mag.	..	..	..	..	143⅞	22⅞	38¾	32⅞	36¼	..
Am. Can	47⅛	6⅞	68½	19¼	107⅝	21¾	122⅝	103⅞	119	6
Do. Pfd.	129¼	98	114½	80	115	72	112	109	‡111⅝	7
Am. Car & Fdy.	76½	36½	98	40	201	84⅛	178	161	172	12
Do. Pfd.	124¾	107½	119½	100	126⅛	105¾	122¼	119	‡121	7
Am. Cotton Oil	79¼	33½	64	21	67½	3¾	12⅜	11	11⅝	..
Do. Pfd.	107½	91	102¼	78	93	26¼	37¾	33	‡35	..
Am. Express	300	94¾	140½	77½	175	76	103½	95⅛	‡97	6
Am. Hide & Leather	10	3	22⅛	2½	43⅛	5	13	9⅛	13	..
Do. Pfd.	51⅞	15⅛	94⅞	10	142⅜	29¾	60¼	50½	59⅜	..
Am. Ice	..	..	49	8⅞	122	37	94	86	94	7
Am. International	..	..	62¼	12	132¼	16	25½	22⅝	23⅜	..
Am. Linseed	20	6⅞	47¾	20	95	13	22⅜	18½	21	..
Am. Loco.	74¾	19	98¼	46⅝	136¾	58	75½	72⅝	75⅜	6
Do. Pfd.	122	75	109	93	122¼	96½	119½	117¾	‡118	7
Am. Safety Razor	..	..	..	..	22	3½	6⅞	6⅛	‡6¼	.50
Am. Ship & Com.	..	..	..	..	47½	4¾	15⅛	11⅝	14¾	..
Am. Smelt. & Ref.	105½	56⅝	123¾	50¼	89¾	29¼	61¾	57½	61⅜	5
Do. Pfd.	116¾	98¼	118⅛	97	109⅝	63¼	100¼	96	100	7
Am. Steel Fdys.	74½	24⅛	95	44	50	18	39⅞	37	39½	3
Do. Pfd.	..	..	..	..	107	78	104⅛	102	‡103	7
Am. Sugar	136⅜	99⅞	126½	89⅛	148⅜	47⅝	60¼	54¼	60¼	..
Do. Pfd.	133½	110	123½	106	119	67½	99½	96½	99½	7
Am. Sumatra Tob.	..	..	145¼	15	120½	16	28½	20¾	22¼	..
Do. Pfd.	..	..	103	75	105	32½	69	58⅛	‡54	..
Am. Tel. & Tel.	153⅜	101	134½	90⅝	128¾	92⅛	129½	125⅛	128¾	9
Am. Tobacco	*530	200	256	123	314½	104⅛	157	148⅛	152⅜	12
Do. B	..	..	..	..	210	100⅛	153	147	149¾	12
Am. Woolen	40⅝	15	60⅞	12	169½	55½	78⅞	69¼	72⅞	7
Do. Pfd.	107¾	74	102	72½	111⅞	88½	102⅝	100	‡101	7
Anaconda	54⅜	27½	105⅜	24¼	77⅞	30	39	36⅝	38½	3
Associated Dry Goods	..	..	28	10	89	48	91	79	‡89¼	5
Do. 1st Pfd.	..	..	75	50½	89	49⅞	88¾	85	‡87	6
Do. 2nd Pfd.	..	..	49½	35	93½	38	93½	89	‡94½	7
At. Gulf & W. I.	13	5	147¾	4½	192⅝	9¼	17½	13⅜	‡16⅜	..
Do. Pfd.	32	10	74¾	9⅞	76½	6¾	16	12¼	‡15	..
Baldwin Loco.	60¾	36½	154½	26⅝	156¼	62¼	130¾	121¼	130⅛	7
Do. Pfd.	107½	100¼	114	90	118	92	116	111	115	7
Bethlehem Steel B	*51⅝	*18¾	155½	59¾	112	41½	62⅛	53	61¼	5
Do. 7% Pfd.	80	47	186	68	108	87	96½	90½	96½	7
Do. 8% Pfd.	..	..	110½	92½	116⅜	90	109¼	107	‡109½	8
Burns Bros. A	45	41	161½	50	147	76	107¾	101¼	103	10
Do. B	..	..	..	..	33	21⅛	25¼	23⅜	24¼	2

Price Range of Active Stocks

INDUSTRIALS Continued:	Pre-War Period 1909-18 High	Pre-War Period 1909-18 Low	War Period 1914-18 High	War Period 1914-18 Low	Post-War Period 1919-1923 High	Post-War Period 1919-1923 Low	1924 High	1924 Low	Last Sale Feb. 7	Div'd $ Per Share
Calif. Packing	..	..	50	30	87½	48¼	87¼	82	86	6
Calif. Petro.	72½	16	42⅝	8	71⅞	15¾	29¾	24¾	28⅜	1¼
Calif. Petro. Pfd.	95½	45	81	29½	110½	63	107	99½	106½	7
Central Leather	51¾	16½	123	25⅞	116½	9⅛	17⅜	13⅜	17¾	..
Do. Pfd.	111	80	117½	94⅞	114	28⅛	44⅝	37½	41	..
Cerro de Pasco	..	..	55	25	67½	23	48¼	44¾	47	4
Chandler Mot.	..	..	109⅞	56	141¼	38¼	66½	59⅛	64¾	6
Chile Copper	..	..	39¼	11¼	30⅛	7¼	28¼	27	27½	2½
Chino Copper	50⅜	6	74	31⅜	50⅞	14¾	20	17⅛	18	..
Coca Cola	..	..	..	..	83⅛	18	77½	72½	73¾	7
Colum. Gas & E.	..	..	54⅛	14¼	114⅞	30¼	38	34½	37⅛	2.60
Consol. Cigar	..	..	..	..	80	13½	22⅛	16¾	18¼	..
Con. Gas	*165¼	*114½	*150½	*112½	*145¾	56¾	67¾	60⅞	66⅝	5
Corn Prod.	26½	7⅛	50½	7	160½	46	187⅝	152⅜	175	9
Do. Pfd.	98½	61	113½	58⅛	122¼	96	120½	117	‡116	7
Crucible Steel	19⅝	6⅛	109⅞	12¼	278½	49	71⅛	65	70	4
Cuba Cane Sugar	..	..	76⅛	24⅞	59⅛	5⅝	18	14½	18	..
Cuban-Amer. Sugar	*58	*33	*273	*38	*605	10⅞	38½	33	38½	3
Endicott-Johnson	..	..	..	..	150	44	67½	63½	64¼	5
Do. Pfd.	..	..	..	..	119	84	117	113	‡113⅝	7
Famous Players	..	..	..	..	123	40	72½	61	68	8
Do. Pfd.	..	..	..	..	107⅜	66	91⅞	87⅞	‡88½	8
Freeport Tex.	..	..	70½	25¾	64⅜	9½	13⅞	9½	10⅞	..
Gen'l Asphalt	42⅞	15⅛	89⅜	14¼	160	23	46¾	39⅛	45⅛	..
Gen'l Electric	188½	129¾	187¼	118	202¼	109½	223½	193½	‡214½	8
Gen'l Motors	*51¼	*25	*850	*74½	42	8⅛	16¼	14⅝	15¾	1.20
Do. 6% Pfd.	..	..	99½	72¾	95	63	83	81½	‡82	6
Do. 6% Deb.	..	..	..	..	94¾	60	82⅞	81	‡82	6
Do. 7% Deb.	..	..	..	..	105	69	99¾	98	99	7
Goodrich	86½	15½	80¼	19⅝	93⅜	17⅜	26¾	22¼	24¼	..
Do. Pfd.	109¼	73⅜	116¾	79⅞	109½	62½	80	75	‡76	7
Gt. Nor. Ore	88½	25½	50⅜	22½	52¾	24⅞	31½	28	30⅞	3
Houston Oil	25½	8¼	86	10	116½	40½	82½	67¼	80⅝	..
Hudson Motors	..	..	..	..	32¾	19½	28¾	27	27½	3
Hupp Motors	..	..	11¾	2½	29½	4⅝	18	16⅛	16¾	1
Inspiration	21⅝	13⅞	74¼	14¼	68⅞	23¼	27¾	25	26¼	2
Inter. Mer. Marine	9	2⅛	50⅝	⅝	67¾	4⅞	9¼	6¾	8⅞	..
Do. Pfd.	27⅝	12½	125⅝	8	128½	18½	34¾	29⅞	32¾	..
Inter. Nickel	*227¼	*135	57½	24½	33⅞	10⅜	15	13	14¼	..
Inter. Paper	19¾	6⅛	75½	9½	91¾	27⅞	40½	37½	40½	..
Invincible Oil	..	..	..	..	47¼	5½	16⅞	13⅞	15¾	..
Kelly Springfield	..	..	85¼	36⅞	164	20½	35	27¾	29⅜	..
Do. 8% Pfd.	..	..	101	72	110¼	70¼	88	82½	‡80	8
Kennecott	..	..	64¼	25	45	14⅜	37¼	34⅛	37⅛	3
Keystone Tire	..	..	46½	11	126¾	1⅝	4⅜	3	‡3⅛	..
Lima Locomotive	..	..	..	..	74⅞	52	68½	65½	68¼	4
Loews, Inc.	..	..	..	..	38⅜	10	18	16½	16¾	2
Loft, Inc.	..	..	..	..	28	6	8¾	7¼	7½	..
Miami Copper	30¼	12¾	49¾	16⅛	32¾	14½	24	22	23⅛	2
Middle States Oil	..	..	..	..	71¾	3¼	6⅞	5⅞	6⅛	..
Nat'l Lead	91	42½	74⅝	44	148	63½	155⅜	137½	‡147	8
N. Y. Air Brake	98	45	136	55⅞	145¾	26⅝	43⅝	39¼	‡42¼	4
N. Y. Dock	40¼	8	27	9¼	70¾	15¼	24⅝	19	‡22	..
North American	*87⅞	*60	*81	*33⅞	100¾	17½	25	22	24⅝	2
Do. Pfd.	..	..	..	..	48½	31⅞	45	43⅞	45	3
Pacific Oil	..	..	..	..	69⅜	27½	58¼	48¼	57⅛	2
Pan. Amer. Pet.	..	..	70¼	35	140¼	38⅛	61¼	46⅝	48½	6
Do. B.	..	..	..	..	111¾	34⅛	59½	45	46⅞	6
Philadelphia Co.	59¼	37	43⅞	21½	50¼	26½	47	43	‡46¾	4
Phillips Pet.	..	..	..	..	69⅝	16	42¼	43¾	41⅝	2
Pierce Arrow	..	..	65	25	99	6¼	12⅛	9¼	11	..
Do. Pfd.	..	..	109	88	111	13½	30⅝	26⅛	28⅜	..
Pittsburgh Coal	*29⅜	*10	58¾	37½	74⅝	45	63½	61	‡61¼	4
Pressed Steel Car	56	18½	88¼	17¼	113¾	42½	62	52½	57½	4
Do. Pfd.	112	88½	109⅛	69	106	80	90	83	90	7
Punta Aleg. Sug.	..	..	51	29	120	24¼	64¾	56	64½	5
Pure Oil	..	..	143⅞	31⅞	61⅞	16¼	26	23⅜	25⅞	1½
Ry. Steel Spg.	54½	22¼	78½	19	126¼	67	115½	106	113¾	8
Do. Pfd.	113⅜	90¼	105½	75	121½	92½	114½	113	‡114	7
Ray Cons. Cop.	27½	7½	37	15	27½	9⅞	12	10¾	10⅞	..
Replogle Steel	..	..	..	..	93½	8	15⅝	11¼	12½	..
Republic I. & S.	49½	15¾	96	18	145	40⅛	59⅞	50¼	59	..
Do. Pfd.	111¼	64½	112⅝	72	106¾	74	93½	89	93⅜	7
Royal Dutch N. Y.	..	..	86	56	123⅜	40½	59½	48	58⅝	3.40
Shell T. & T.	..	..	..	..	90¼	29⅛	41½	33	‡40⅞	2.05
Sinclair Con. Oil	..	..	67⅛	25¼	64¼	16	27¼	21⅝	23¾	2
Stand. Oil N. J.	*448	*322	*800	*355	*212	30⅞	42¼	39⅞	41⅞	1
Do. Pfd.	..	..	..	..	118¼	100⅛	118⅝	117	117¾	7
Stromberg Carb.	..	..	45¼	21	118¼	22⅛	84⅞	79	81⅜	9½
Studebaker	49½	15¾	185	20	151	37¾	108¼	99⅛	105⅞	10
Do. Pfd.	98⅛	64½	119½	70	118¼	76	115	115	‡110	7
Tenn. Cop. & Chem.	..	..	21	11	17¼	6¼	9¾	8⅞	9⅛	1
Texas Co.	144	74½	243	112	57¾	29	45⅜	43½	45⅛	3
Tex. Pac. C. & O.	..	..	..	..	195	5½	14⅝	10½	14⅝	..
Tobacco Prod.	145	100	82⅜	25	115	45	70¼	45	69½	6
Transcontl. Oil	..	..	..	..	62⅝	1¼	6¼	4	5¼	..
United Fruit	208½	126½	173	105	224⅞	95¾	201¼	182	‡193	10
Un. Retail Stores	..	..	..	..	119¼	43½	4	2½	‡...	..
U. S. Ind. Alco.	57¼	24	171½	15	167	35¼	83⅝	67¾	80¾	..
U. S. Rubber	59½	27	80½	44	143¾	30⅝	42⅞	37⅜	38⅜	..
Do. Pfd.	123½	98	115¼	91	119½	74	94⅜	85¾	88¼	8
U. S. Smelt. & R.	59	30⅜	81½	20	78¼	18⅜	22½	20⅛	21	..
U. S. Steel	94⅞	41¼	136⅝	38	115½	70¼	108½	98⅛	108¼	5½
Do. Pfd.	131	102½	123	102	123½	104	120¼	118⅜	119⅞	7
Utah Copper	67½	88	130	48½	97½	41⅛	66⅝	64	65	4
Vanadium	..	..	..	..	97	24¾	32¼	29⅝	31½	..
Va.-Caro. Ch.	70⅜	22	60¼	15	92½	6¼	10⅜	6½	8⅛	..
Do. Pfd.	129½	62	115⅜	80	115⅞	17	34¾	21½	25	..
Western Union	36¼	56	105½	53⅜	121¼	76	113	107	111⅛	7
Westinghouse Mfg.	45	24¾	74⅞	32	67⅛	38⅞	65	59¾	63¾	4
White Motors	..	..	60	30	86	29¼	58⅛	53	57½	4
Willys Overland	*75	*50	*325	15	40¼	4½	14¼	10	12⅛	..
Wilson Co.	..	..	84¼	42	104⅞	19	28	19⅞	20	..
Woolworth	177⅞	76⅛	151	81½	200	100	298¾	280	297¼	8

* Old stock.

‡ Bid price given where no sales made.

ANSWERS TO INQUIRIES

(*Continued from page 709*)

stock at 89 to offer a good opportunity, for if the merger goes through this issue will probably receive very good treatment, and even if it does not go through we consider earnings of United Bakeries sufficiently good to assure the payment of the dividend on the preferred.

HUMBLE OIL
Switch to Associated Oil Advised

Please give me your frank opinion of Humble Oil. I bought 200 shares at considerably lower prices and am undecided what course to pursue now. Is there any other oil stock you prefer at this time? Who is the controlling interest in Humble?—W. N. T., Syracuse, N. Y.

Humble Oil stock we consider to have good prospects of gradually selling at higher levels, but we do feel that there are better opportunities in other oil issues. Humble has 1,748,000 shares of stock outstanding of a par value of $25. Earnings are on a satisfactory basis in view of the big production at Powell, but this production is not likely to remain at such a high rate as it must be classed as flush production. We are unable to inform you how much crude oil the company has in storage as these figures are not available. The company is controlled by the Standard Oil of N. J. Our suggestion is to take your profits around present levels of 39 and purchase instead Associated Oil paying $1.50 and selling around 33. Associated Oil owns a large amount of oil lands in California and has a substantial production, estimated at close to 100,000 barrels a day. It has close to 20 million barrels of oil in storage, and is in good condition to make large profits, due to the advancing tendency of oil.

WICKWIRE-SPENCER STEEL
Lacks Working Capital

Recently I purchased 300 shares of Wickwire-Spencer Steel common stock as a speculation at 4. In view of the better outlook for the steel industry do you consider that this stock has a good chance for an advance in price? In what shape are the finances of the company?—F. A., Port Chester, N. Y.

Almost from its organization in 1920, Wickwire-Spencer Steel has been hampered by lack of working capital. At the present time its floating debt amounts to about 3.8 millions. Earnings in 1923 were quite satisfactory, the interest on the funded debt having been covered with about $650,000 to spare. With the outlook encouraging at the present time the company may be able to work out of its difficulties. The common stock, of course, is very highly speculative in view of the weak financial condition. It is preceded by 13.2 million funded debt and 7.6 million preferred stock on which back dividends amount to 18%. There are outstanding 434,800 shares of no par common stock, and possibility of this stock ever receiving dividends appears very remote. At present price of 4 the stock may have speculative possibilities in view of favorable market conditions and the improved outlook for the steel industry, but our advice is to switch to a sounder security.

NICKEL PLATE
Earned 16% on Common

Having held New York, Chicago & St. Louis common stock for some time I am considering the advisability of taking the substantial profit this purchase shows me. Before doing so I decided to ask your opinion of the stock. I am receiving a good return on my money and if it has prospects of going still higher I would just as soon hold it rather than switch to anything else.—D. B., Chicago, Ill.

Nickel Plate for the year ended December 31, 1923, earned approximately 16% on the common stock which compares with 12.3% earned in 1922. The road's performance in 1923 reflects the constructive management of the Van Sweringen interests whose success in combining the old Nickel Plate, the Clover Leaf and the Lake Erie & Western into a powerful system has been an event of importance in railroad history. The excellent showing for 1923 was made despite the fact that maintenance expenditures were liberal. Prospects for 1924, of course, depend on the nature of rate readjustments that may be made and general business conditions. At the present time the outlook appears quite favorable, and we feel that you are justified in holding the stock for still higher levels.

WHITE EAGLE OIL
A Well-Rounded Organization

Did White Eagle Oil come through the recent period of depression in the oil industry in good shape and do you consider that the stock will now improve in price in view of the better outlook for the industry?—H. K. M., Dayton, O.

White Eagle is a well-rounded organization, being a refiner and distributor as well as a producer of oil. While earnings were reduced in the last six months of 1923, because of the lower prices prevailing, the company was still able to show fair profits. Earnings for the full 1923 year have not yet been made public, but based on the report for the 9 months ended September 30, 1923, the company should show the present dividend of $2 earned with a good margin over after allowing for depreciation and depletion at the same rate as charged off in the 1922 annual report. The company has 76 wells producing close to 4,000 barrels a day. It owns and operates 363 service stations located in Kansas, Colorado, Missouri, Nebraska, Iowa, Minnesota and the Dakotas. The company is in a good position to benefit from advancing prices, and we consider the stock an attractive long-pull holding.

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SCHOOL FOR TRADERS AND INVESTORS

(Continued from page 696)

line, but all supplementary trades require study and attention, and on final analysis the largest profits are to be found in the veterans of the campaign, and not in the raw recruits.

Actual experiences of an active trader during recent market swings serve to confirm the truth of the above observations. For example, 13 original commitments showed an aggregate profit of 160 points, and a loss of 2 points; whereas 5 additional commitments made after the campaign was well under way showed an additional profit of 7 points, and a loss of 5 points. Another successful campaign began with 18 commitments which eventually showed a profit of 103 points, and a loss of 2 points; and 9 commitments made later resulted in 52 points additional profit, and 17 points additional loss. Again, a losing campaign began with 17 commitments which returned 16 points profit and 24 points loss; and 7 supplementary commitments showed 2 points additional profit and 10 points additional loss.

GRADUAL UPWARD DRIFT IN BUSINESS

(Continued from page 697)

been no relief from the high raw material costs which have so seriously interfered with the normal course of trade, on the contrary, raw wool is in a strong position and seems likely to go higher, while cotton is still comparatively high although it has receded considerably from peak levels.

Primarily, the difficulties of cotton and woolen goods manufacturers seem to have started with their over-enthusiasm of last Spring when production was increased beyond limits which later demand justified. Retailers and distributors have been buying on a hand-to-mouth basis for many months with the result that producers have been compelled to carry top-heavy inventories, a large percentage of which would ordinarily be in the hands of distributors.

Weather conditions have further aggravated the problems of the manufacturer who has been operating on a sharply restricted basis for months. At present there is little to suggest any material turn for the better in the near future so far as cotton and woolens are concerned. The silk industry is in a better position and is enjoying fairly stable conditions in the raw material market for the first time in years.

CORRECTION

In our January 19 issue we published an inquiry on Hecla Mining Company which, owing to a printer's error, contained information relating to another company. In view of this error and the misunderstanding that might arise out of it, we published a more complete analysis of the company in our February 2 issue.

Current Bond Offerings

Large Volume of New Bonds for Subscription

NEW life has evidently been imparted to the new bond market, for the volume of such issues in recent weeks has been extremely large. For example, during the week ended February 2, nearly $104,000,000 bonds were offered or 150% more than the amount offered in the corresponding period of last year. Public utilities led the list in point of amount offered, but this was due to the offering of $50,000,000 Southwestern Bell Telephone Co. 5% bonds. Incidentally, these bonds, offered on a 5.44% basis, were oversubscribed eight times thus indicating the large underlying demand for bonds of high-grade character.

It is interesting to note that, with only a few exceptions, the coupon rates on the offered bonds were no higher than 6½%, thus indicating the effect of the downward course of money rates. Refinancing today is becoming more and more convenient, and it is to be noted that a number of the bonds put out at 7-8% during the period of money stress in 1921, are being recalled, companies finding it to their advantage to pay the premium involved in such transactions rather than continue interest payments at high figures.

State and municipal issues are still up among the front so far as number and value of such issues are concerned. It is probable that the recent increase in these issues is a result at least partially of the agitation in Congress for the repeal of the tax-exempt features connected with such bonds.

Owing to prospects for continued ease in the money markets and the large amount of funds awaiting investment throughout the country, it is likely that companies will continue to take advantage of this situation in order to fill their financial requirements.

NEW BOND OFFERINGS

	Amount	Yield Off'd (%)
STATE AND MUNICIPAL		
Pueblo Conservancy District, Colo	$3,600,000	5.00
Shreveport, La	1,000,000	4.75-4.80
State of Michigan	1,130,000	4.20
	1,870,000	4.25
State of Illinois	1,150,000	4.29
Oyster Bay, N. Y.	1,415,000	4.15-4.20
FOREIGN		
Buenos Aires, Argentina	$8,490,000	6.75
RAILROAD		
St. L.-Southwestern.	$1,800,000	4.50-5.20
PUBLIC UTILITY		
Southwestern Bell Telephone Co.	$50,000,000	5.44
Maryland Elect. Rys. Co.	4,000,000	6.50
Virginia Power Co.	5,000,000	6.75
Keystone Pr. Corp.	2,500,000	7.14
INDUSTRIAL		
Continental Paper & Bag Mills Corp.	$6,000,000	6.95
Yellow Mfg. Acceptance Corp.	5,000,000	6.55
Parker-Young Co.	2,500,000	6.75

INTERBOROUGH RAPID TRANSIT CO. | MANHATTAN RAILWAY CO.

(Continued from page 705)

pend upon the future showing made by the System, as well as the legality of charging off excess maintenance ahead of dividend requirements on the stock of the Manhattan Railway Company.

Outlook for Securities

The long-term prospects of the Interborough System are entirely favorable, and earnings should show a consistent increase. Many economies and automatic devices are being put into effect which will in time provide a marked decrease in operating expenses. The normal growth in population in New York insures a steady increase in gross.

Among the bond obligations, probably the most attractive issue at current prices is the Manhattan Elevated 4s of 1990. They are now a first mortgage on all elevated lines in the Borough of Manhattan and the Bronx, and are unusually well secured both as to assets and earnings. The yield at a present price of 59 is approximately 7% to maturity.

While immediate dividend payments on Manhattan Modified Guaranteed are uncertain, this stock should eventually re-

INTERBOROUGH RAPID TRANSIT CO.

HOW EXTRA MAINTENANCE DEDUCTIONS HAVE REDUCED EARNINGS

Last Six Months of 1923	†Earnings Before Extra Maintenance Deductions	*Extra Maintenance Deduction	Div. Req. on Manhattan Stock
July	(def.) $155,046		$200,000
August	(def.) 248,221	$845,744	200,000
September	(def.) 11,028		200,000
October	482,667	219,342	200,000
November	549,674	210,184	200,000
December	594,583	164,524	200,000
Totals	$1,212,629	$1,439,794	$1,200,000

* Extra maintenance deduction represents amount expended in excess of per cent of gross allowed under provisions of the company's contracts with the City of New York.

† As ordinarily available for Manhattan Railway stock.

ceive the full 5% to which it will be entitled after July 1, 1924. Furthermore, it is entitled to share equitably with Interborough stock in any further disbursements until 7% is received, and a real return of prosperity to the System, such as it has enjoyed in the past, would mean a very large dividend return, based on current quotations around 33.

As regards Interborough stock, which is now selling at 16, the most that can be said is that it appears to have good long-pull possibilities, but an uncertain present status.

HOW MUCH WILL MEXICO'S RAPIDLY DECLINING OIL OUTPUT HELP AMERICAN PRODUCERS?

(*Continued from page* 675)

it proved all too true. It was the beginning of the end of the Golden Lane as far as it is now known to man. There still remained a great deal of oil to be run off, and after that "stripping" operations, but the peak of the great days of the present known Golden Lane had been reached and passed.

Slowly but steadily, month after month, the salt water invasion crept down the Golden Lane and one by one the great wells were pinched down or closed entirely. Companies like Island Oil, which lacked financial resources to meet changed conditions, went into the hands of receivers. Others narrowly escaped the same fate. Some of the big companies pocketed their losses, which in some cases were tremendous, and shook the dust of Mexico from their feet. Others attempted to recoup, with some degree of success, by shifting their operations to the heavy oil fields of the Panuco district.

Production in the Panuco district has been developed to very large proportions in the last few years. But that oil contains little or no gasoline and sells at about 60c. less per barrel than the richer oil of the Golden Lane. Some small quantities of Panuco oil are used in the manufacture of asphalt but for the most part it is only of value as fuel oil.

The graph at the right of the caption to this article giving the Mexican exports of crude and refined petroleum products, shows that there has been a sharp falling off from the record high total of 1922, but does not begin to tell the whole story.

The left hand graph contrasting the value of heavy and light crude oil exports for the first nine months of 1922 and 1923, gives a clearer idea of what has taken place in Mexico. It will be perceived that while the value of heavy crude exports during the period under consideration increased from $64,000,000 in 1922, round figures, to $106,000,000 in 1923, the value of light exports decreased from $209,000,000 in 1922 to $44,000,000 in 1923. In other words, total value of crude and light exports in the first nine months of 1922 was approximately $273,000,000, while their total value for the same period of 1923 was but $150,000,000, a decrease of $122,000,000.

At the present time, salt water has appeared in all the pools of the Golden

Lane with the exception of Cerro Azul, where the Mexican Petroleum operates. Mexican Petroleum is taking all the oil from the Cerro Azul field that can safely be allowed to flow each day, but its production has sunk from a high peak of approximately 130,000 bbls. a day to less than 70,000 bbls. Oil experts say that this company can probably count on an average of about 40,000 bbls. a day for several years before it is reduced to the stripping operations which characterize the rest of the fields.

The End of the Golden Lane?

Does the Alamo field at the southern end of the Golden Lane and on a line with the port of Tuxpam mark the end of the Golden Lane? On this point we encounter a diversity of expert opinion. As far as we know, the Golden Lane ends at the banks of the Tuxpam river, but there appears to be no good reason why it *should.* The Golden Lane begins at the Tamiahua Lagoon and runs in a southwesterly direction to the Tuxpam river, but there is no *apparent geological reason why the Golden Lane should not extend under and continue south of the Tuxpam river for another thirty-five miles or so.*

That is the hope and belief of those who are of the opinion that the great oil days of Mexico are not over. It must be admitted that there is some ground for their faith. Several wildcat wells have been drilled south of the Tuxpam river, but the Penn Mexico Oil Co. is the only company which obtained results. Last month it brought in a 40,000 bbl. well a few miles south of the Tuxpam river in what appears to be a new pool in virgin territory.

Is it merely a detached pool or is it a continuation of the Golden Lane? The answer to that question is the answer to the future of oil in Mexico.

Heavy Capital Investments

That this is a very momentous matter is apparent from the accompanying tabulation showing the amount of invested oil capital in Mexico.

The rough total of this tabulation is one billion five hundred million dollars. When the remaining oil in the Panuco and Golden Lane areas is exhausted, that tremendous investment will have little more than a junk value. Unless, of course, the extension of the Golden Lane is proved or new territories developed. The former is the only probability in sight at present.

It would seem that it should not be a difficult matter to determine whether or not the Golden Lane extends south of the Tuxpam. But when one remembers that at times its width is as narrow as 400 yards, and that the cost of sinking a deeptest well sometimes exceeds $100,000, it is apparent that only the wealthiest or the most daring companies will undertake the exploration risk. Many of the larger companies prefer to operate in the comparatively new fields of South America where the chances of success seem greater. In addition the policy of the Mexican governments has been to discourage foreign capital. According to one of the best posted men on Mexican oil conditions in this country, there are three important factors which have greatly retarded Mexico's oil development.

1—Instability of political affairs,
2—Constantly increasing and oppressive taxation,
3—Arrogation by the Mexican government of sub-soil rights.

The development of oil in Mexico by Cowdray, Doheny and those that followed, has been of inestimable advantage to this country and the world. Coinciding with the rise of the automobile, it kept gasoline prices within reason. Without Mexico's production gasoline would have undoubtedly sold at 50c. or perhaps a dollar a gallon in recent years. That oil production in Mexico is on the sharp downgrade admits of no argument. Whether within a few years Mexico as an oil producer will become of minor importance is a matter of wide conjecture. At least it appears that there is no new considerable production in sight that can be got out in time to play much of a part in the current year's oil markets. To say that Mexico is practically finished as an oil producer, is to make a long-shot guess. In reference to such predictions one should recall that for the last fifty years in this country it has been the habit, with some, to label each successive great pool as the last. Time and the oil bit alone can answer the problem of Mexico's oil future.

Summing up, it appears that, as far as heavy fuel oil is concerned, Mexico is likely to continue to be a large producer for some time to come. As far as light crude is concerned, which is by far the most important, Mexico's output is gradually approaching the vanishing point. However unpalatable that statement may be to Mexico producers, it is certainly the strongest kind of an argument in favor of the American producer of petroleum.

AMOUNT OF OIL CAPITAL INVESTED IN MEXICO

	American	British	Dutch	Mexican	Others
Land	$201,770,000	$134,470,000	$10,129,000	$6,080,000	$3,448,000
Pipe lines	137,663,000	30,118,000	31,884,000	58,595	369,794
Drilling	114,000,000	74,000,000	6,000,000	4,000,000	2,000,000
Tankers, portable plants, etc.	83,200,000	71,000,000	5,300,000	300,000	200,000
Steel tanks	37,221,000	16,894,000	8,884,000	88,000	916,000
Concrete storage	887,000	560,000	....	50,000	....
Refineries	31,302,000	31,734,000	9,000,000	....	....
Total	$606,043,000	$358,776,000	$71,197,000	$10,576,595	$6,933,794
% of total	57%	33%	6%	9%	6%

THREE GOOD OPPORTUNITIES IN CONVERTIBLE BONDS

(*Continued from page* 683)

can be created on fixed property unless these bonds are equally secured thereby. They are subject to 23.0 millions of 1st mortgage bonds but have an equity in the property well over three times par value. Sinking-fund payments are to be made to the extent of $506,000 annually through 1926, one million dollars in 1927 and 1928, and 1.5 millions in 1929 and 1930.

From 1917 to 1919, bond interest was earned on an average 6.5 times each year. In 1920, the company showed first signs of the business readjustment and earned 60% of interest requirements, while in 1921 it reported a deficit of 6.2 millions before interest charges. This poor showing must not be considered as reflecting the real earning power of the company, as the entire industry was beset with difficulties. In 1922, preferred dividends were earned, and for the past year, it is estimated that several dollars per share were shown for the common stock.

The attractiveness of the convertible bonds at a present price of 98 depends to some extent upon the value of the conversion privilege although the yield of 7.6% is, in itself, just compensation for the risk involved. The stock is so far from the conversion point at current quotations of 21, that is is doubtful if the price of the bonds as yet reflects the possible value of conversion at a later date. They would not, in all probability, decline to any extent should the junior security suffer a technical reaction.

Employees' Stock

Recently, the company called a special meeting of stockholders to vote on a proposed authorization of 250,000 shares of $8 prior preference stock to have preference over present common and preferred stocks, and 350,000 shares of class "A" stock, to have preference over the common up to $3 a share in dividends. It is proposed to sell these securities to employes for cash, and this should be of advantage to the company as a means of reducing funded debt.

While the common stock must enhance in market value by over 100% before the bondholder may convert at a profit, there would be a sympathetic movement in the bonds long before the conversion point is reached. Furthermore, it is easily possible for the stock to sell much higher than 50. It is to be remembered that this same security reached 104 in 1919, and 82 in 1920. The company is now in a good financial position and could take full advantage of further improvement in the industry. As the total amount of outstanding stock represents but 25% of capitalization, earnings per share increase very rapidly.

For those who do not require more than a moderate degree of safety and are willing to hold for the long-pull possibilities, the convertible 7½s are worthy of consideration.

UNLISTED UTILITY BOND INDEX

POWER COMPANIES

	Investment Grade	Asked Price	Yield
Adirondack Power & Light 1st & Ref. 5s, 1950	B..	100	6.00
Adirondack Electric Power 1st 5s, 1962	A..	96½	5.20
Alabama Power Co. 1st 5s, 1946	B..	94	5.45
Appalachian Power Co. 1st 5s, 1941	B..	90½	5.85
Appalachian Power Co. 7s, 1936 (Non-Callable)	B..	102	6.70
Ashville Power & Light 5s, 1942	B..	95	5.40
Carolina Power & Light 1st 5s, 1938	B..	96½	5.33
Central Maine Power 1st & Gen. Mtge. 7s, Ser. A, 1941	B..	107	6.10
Colorado Power Co. 1st 5s, 1953	B..	87½	5.95
Consumers Power Co. (Mich.) 1st 5s, 1936	B..	97½	5.28
Electrical Development of Ontario 5s, 1933	B..	96½	5.50
Great Northern Power Co. 1st 5s, 1935	B..	91	6.15
Great Western Power Co. 5s, 1946	B..	93½	5.50
Hydraulic Power 1st & Imp. 5s, 1951	A..	99	5.20
Indiana Power Co. 7½s, 1941	B..	103½	7.10
Idaho Power Co. 5s, 1947	B..	90	5.80
Laurentide Power Co. 1st 5s, 1946	A..	95	5.38
Madison River Power Co. 1st 5s, 1935	A..	98	5.22
Mississippi River Power 1st 5s, 1951	B..	93½	5.45
Nebraska Power Corp. 1st 6s, 1949	B..	101	5.90
Niagara Falls Power 1st & Cons. Mtge. 6s, 1950	A..	106	5.55
Penn.-Ohio Power & Light 8% Notes, 1930	B..	103	7.45
Puget Sound Power Co. 1st 5s, 1933	A..	97	5.35
Salmon River Power 1st 5s, 1952	B..	96	5.28
Shawinigan Water & Power 1st 5s, 1934	A..	101	4.82
Southern Sierra Power Co. 1st 6s, 1936	A..	101	5.60
Wisconsin Edison Co. 6s, 1924	A..	100	6.00

GAS AND ELECTRIC COMPANIES

	Investment Grade	Asked Price	Yield
Bronx Gas & Electric 1st 5s, 1960	B..	91	5.55
Burlington Gas & Light 1st 5s, 1955	B..	84	6.18
Buffalo General Electric 1st 5s, 1939	A..	100	5.00
Cleveland Elec. Ill. Co. 5s, 1939	A..	100	5.00
Cons. Cities Light, Power & Traction 1st 5s, 1962	C..	67½	7.60
Dallas Power & Light 6s, 1940	B..	101½	5.85
Denver Gas & Electric 1st 5s, 1949	A..	94½	5.40
Evansville Gas & Electric 1st 5s, 1932	B..	96½	5.65
Houston Light & Power 1st 5s, 1931	B..	97½	5.40
Indianapolis Gas Co. 1st 5s, 1952	B..	85½	6.05
Nevada-California Electric 1st 6s, 1946	B..	98	6.25
Oklahoma Gas & Electric 1st & Ref. 7½s, 1941	B..	103	7.15
Oklahoma Gas & Electric 1st Mtge. 5s, 1929	B..	95	6.10
Portland Gas & Coke 1st 5s, 1940	B..	94	5.45
Rochester Gas & Electric 7s, Series B, 1946	B..	109½	6.20
San Diego Cons. Gas & Electric 1st Mtge. 5s, 1939	B..	95	5.50
Syracuse Gas Co. 1st 5s, 1946	A..	94	5.80
Tri-City Railway & Light 5s, 1930	B..	93	6.30
Twin State Gas & Electric Ref. 5s, 1953	B..	80	6.50
United Light & Railway 5s, 1932	B..	88½	6.75

TRACTION COMPANIES

	Investment Grade	Asked Price	Yield
Columbus Street Railway 1st 5s, 1932	B..	88½	6.80
Detroit United Railway 1st Coll. 8s, 1941	B..	108	7.15
Galveston-Houston Electric Railway 1st 5s, 1954	B..	85	6.05
Kentucky Traction & Terminal 5s, 1951	C..	76	7.05
Knoxville Railway & Light 5s, 1946	C..	83	6.45
Minn. Street Ry. & St. Paul City Ry., Jnt. 5s, 1928	B..	93½	6.70
Memphis Street Railway 5s, 1945	C..	73	5.55
Northern Ohio Traction & Light 6s, 1926	B..	94½	8.00
Nashville Railway & Light 5s, 1953	B..	90	5.70
Schenectady Railway Co. 1st 5s, 1946	C..	65	8.50
Topeka Railway & Light Ref. 5s, 1958	B..	87	6.05

HOLDING COMPANIES

	Investment Grade	Asked Price	Yield
American Lt. & Trac. 6s, 1925 (Without Warrants)	A..	101	5.30
American Gas & Electric 6s, 2014	B..	96	6.25
American Power & Light 6s, Series A, 2016	B..	94	6.50
Federal Light & Traction 1st 5s, 1942	B..	89	6.00
General Gas & Electric s. f. 7s, 1952	B..	100	7.00
General Gas & Electric 1st 5s, 1925	B..	99	5.70
Middle West Utilities 8s, 1940	A..	107½	7.10
Standard Gas & Electric 7½s, 1941	B..	103½	7.05

TELEPHONE AND TELEGRAPH COMPANIES

	Investment Grade	Asked Price	Yield
Bell. Tel. Co. of Canada 1st 5s, 1925	A..	88½	5.40
Chesapeake & Potomac Tel. Co. (Va.) 1st 5s, 1943	A..	95	5.40
Home Tel. & Tel. Co. of Spokane 1st 5s, 1936	A..	95½	5.45
Western Tel. & Tel. Collateral Trust 5s, 1932	A..	98	5.40

PUBLIC UTILITY BONDS FIRM

Large number of new offerings

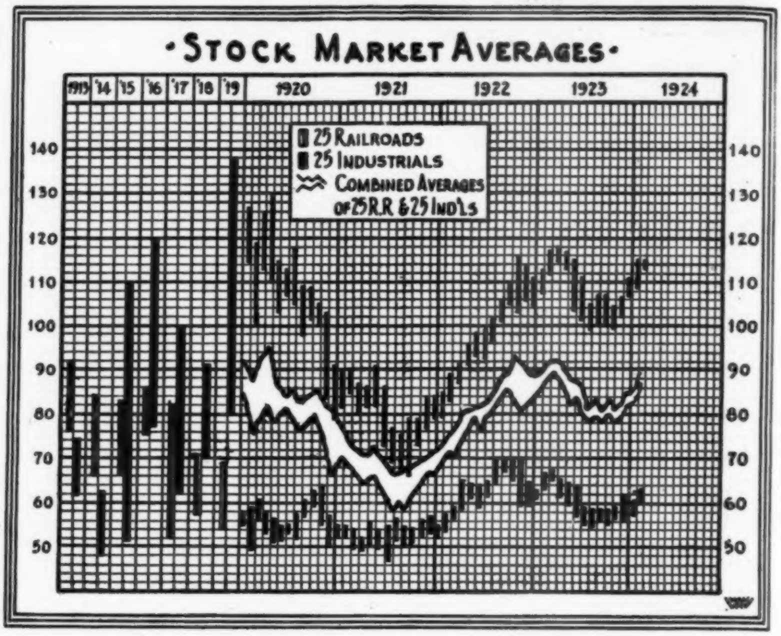
THE impetus given bond prices during January resulted in extremely good advances among the unlisted public utility bond lists with prices at the beginning of February showing advances of from one to three points compared with prices as of the close of 1923. However, the upward movement during the last two weeks has been stayed somewhat by the number of new offerings which have come on the market. While prices on the whole continue to hold firm, emissions of new securities have dampened the broad upward movement for the time being. Indications, however, point to a resumption of the upward movement as Spring approaches. Fortified by earnings statements for 1923, which are beginning to come out, sentiment on the utility companies continues extremely bullish, in view of the fact that reports from the viewpoint of both gross and net earnings are the best of any year since 1917.

While the new financing is slowing up the market somewhat, it is not taken as a bearish factor as practically every company has to come into the market to finance the enormous expansion program occasioned by the record demand for new service.

Among the offerings were Wisconsin Electric Power $9,000,000 of 5s, which were offered at 91½ on a 5.60% basis, $5,000,000 Virginian Power 6½s offered on a 6.75% basis, Maryland Electric Railways 6½s offered at par, and several other smaller issues.

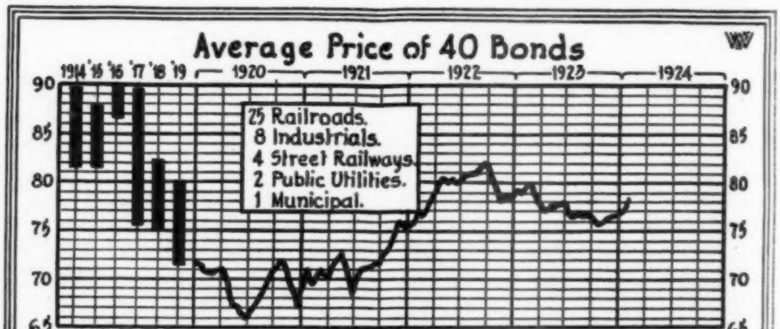
With the Southwestern Bell Telephone issue out of the way, and contemplated new offering of Japanese bonds, it is indicated that market may continue at a standstill for the next few weeks. However, with the current sentiment in favor of the utilities, it would seem as if any purchase of bonds on recessions might prove profitable from a trading viewpoint as the market seems to be headed upward for the time being.

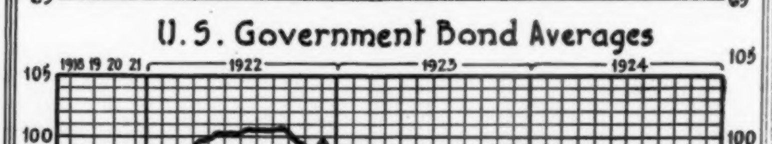
SECURITIES ANALYZED IN THIS ISSUE



MARKET STATISTICS

	N.Y.Times 40 Bonds	Dow, Jones Avgs. 20 Indus.	Dow, Jones Avgs. 20 Rails	N.Y.Times 50 Stocks High	N.Y.Times 50 Stocks Low	Sales
Thursday, January 24.....	78.35	98.59	80.80	86.72	85.70	1,110,575
Friday, January 25........	78.41	99.81	81.56	87.46	86.10	1,288,512
Saturday, January 26......	78.56	100.00	81.89	88.05	87.11	782,730
Monday, January 28.......	78.56	99.35	82.16	88.20	86.53	1,386,179
Tuesday, January 29.......	78.41	99.16	81.93	87.55	86.27	1,068,668
Wednesday, January 30....	78.47	99.40	81.81	87.87	86.48	1,288,451
Thursday, January 31.....	78.45	100.66	82.09	87.82	86.61	1,242,582
Friday, February 1........	78.49	100.70	82.15	88.27	87.30	1,233,292
Saturday, February 2......	78.55	100.84	82.35	87.90	87.36	579,486
Monday, February 4.......	78.52	101.08	82.61	88.56	87.43	1,236,490
Tuesday, February 5......	78.52	101.08	82.50	88.47	87.64	1,112,602
Wednesday, February 6....	78.50	101.31	82.48	88.25	87.64	658,110





 If you do business with our advertisers, kindly mention THE MAGAZINE OF WALL STREET.

LETTERS FROM A HARD-BOILED FINANCIER TO HIS NEPHEW

(*Continued from page* 673)

kings control. I've seen 'em go back faster than Man-O-War can trot a hundred yards on a hard track.

In the second place, I find there are two good rules to follow when putting out your money. Either place it where you can control the spending of it yourself, or if you do put it in someone else's hands be sure that that someone else has a well-established reputation for being able to make money and for playing square with his partners.

I'm not saying that Joe Huntley isn't on the level, for I don't know anything about it. But I do know he has been nosing around Wall Street for a good many years, and I can't recall a single person who ever made a killing through playing along with Joe. I don't seem to find his name in the directory of directors nor as an officer of any worth-while corporation. He always seems to have plenty of money, and in season you'll be pretty sure to run across him at Deauville, St. Moritz, Pinehurst or wherever else the idle rich congregate. Wherever he gets his money from I don't pretend to say. But I am sure he doesn't earn it. If he doesn't earn it for himself it's a Russian ruble to a ten-dollar gold piece that he won't earn any for you.

Your affectionate uncle,

HENRY B. HOBBS.

BETWEEN TWO SIMILAR COMPANIES

(*Continued from page* 677)

name of a company or a product mentioned there, would be a guarantee of success. Instances of enormous costly advertising campaigns which yet failed to put the product across, all because the advertising was in itself defective, loosely or poorly distributed, are too many to permit of any such blind faith.

One could say, however, this: That a fundamentally good product, with an inherent appeal, will go much further if carefully and wisely advertised than would otherwise be possible.

Advertising has become an established form of business building. To appropriate adequate sums for advertising, and to maintain the campaign through thick and thin has become "good business."

The stockholders in a concern which advertises wisely and well—just as its dealers and its salesmen—can put greater confidence in that concern than would otherwise be justified.

All experience has shown that it does pay to advertise.

Mrs. Clarendon will be pleased to answer your Insurance Problems.
See page 699.

Over-the-Counter

IMPORTANT ISSUES

Quotations as of Recent Date*

Allied Packers	4	— 5
Pr. Pfd.	26	— 30
American Arch (5P)	84	— 87
American Book Co. (6)	91	— 93
American Cyanamid (4P)	86	— 88
Pfd. (6)	72	— 75
American Thread pfd. (5%)	3⅞	— 4¼
Amer. Type Founders (7)	103½	—105
Pfd. (7)	99	—101
Atlas Portland Cement (4)	88	— 92
Babcock & Wilcox (7)	119	—121
Borden Co. (8)	x122	—124
Pfd. (6)	101	—104
Bucyrus Co.	57	— 60
Pfd. (7A)	102	—107
Celluloid Co. (6)	75	— 80
Congoleum Co. pfd. (7)	101	—103
Crocker Wheeler (1¾)	25	— 30
Pfd. (7)	78	— 85
Eisemann Mag. pfd. (7)	53	— 58
Franklin Rwy. S. new w. i.	95	—105
Jos. Dixon Crucible (8)	136	—140
Ingersoll Rand (8P)	170	—175
Johns-Manville, Inc. (3P)	92	— 96
McCall Corp'n	56	— 58
Pfd. (7B)	117	—123
National Fuel Gas (5P)	85	— 88
New Jersey Zinc (8P)	149	—152
Niles-Bement-Pond	44	— 46
Pfd. (6)	70	— ..
Phelps-Dodge Corp'n (4)	130	—140
Poole Engineer'g (Maryland):		
Class A	22	— 24
Class B	16	— ..
Richmond Radiator Co.	8	— 10
Pfd.	68	— 75
Royal Baking Powder (8)	130	—135
Pfd. (6)	98	—100
Safety Car H. & L. (7)	93	— 95
Savannah Sugar (6)	61	— 64
Pfd. (7)	80	— 83
Sheffield Farms (6)	100	— ..
Pfd. (6)	88	— 93
Singer Mfg. Co. (7)	143	—145
Superheater Co. (K)	117	—120
Technicolor, Inc.	10⅞	— 11¼
Thompson-Starrett (4)	60	— ..
Victor Talking Mach. (8)	147	—152
White Rock	K 10	— 10¾
2nd Pfd. (5)	55	— 58
1st Pfd. (7)	80	— 86
Yale & Towne (4P)	69	— 71

*Dividend rates in dollars per share designated in parentheses.

P—Plus Extras.

A—Arrears of 9% being discharged at regular intervals.

B—Arrears of 27¼% being discharged at rate of 7% annually in addition to regular dividend rate.

x—Ex-Dividend.

K—Dividend rate on this stock not established.

OVER-THE-COUNTER stocks, during the fortnight, were active and, in a number of cases, strong. The trend toward investment securities of the better grade continued noticeable, resulting in not a few price advances. Among these, the more impressive included a gain in American Type Founders common, McCall Corporation and Johns-Manville.

Johns-Manville, Inc., Makes Good Showing for 1923

The investment buying in Johns-Manville, Inc., accompanied publication of this corporation's report for the year 1923 which showed net earnings after federal taxes amounting to $3,078,928, as contrasted with $2,129,878 earned for the common in 1922 and $3,569,229 earned in 1921.

The Johns-Manville capitalization consists solely of 250,000 shares of stock of no par value, there being no bonds or preferred stock. The old preferred of the company was retired on January 1, 1923, at $120 a share. Earnings at the rate shown for 1923 were the equivalent of $12.31 a share on the outstanding common shares.

Johns-Manville's increase in net earnings for 1923 followed a substantial advance in total sales. Gross revenues for the year were $42,000,000—the highest since 1920, when gross touched the peak of $45,138,181.

Lower-Priced Issues Active

Good Demand for One or Two Specialties

AMONG some of the more speculative of the Over-the-Counter issues demand was good. For example, Allied Packers' preferred, which has advanced in recent months from 10 to 30, and Technicolor common, now quoted around 11, were quite active.

Interest in Allied Packers' preferred is based on the turn for the better which has occurred in the meat-packing industry generally, as well as on the improvements known to have been registered in the affairs of the company itself. As brought out in a previous issue of The Magazine, the meat-packing industry has been out of its post-war slough for several months now, and the prospects point to a better period of earnings for most of the better-established companies. The improvement in Allied Packers' situation, as a company, is largely attributable to an effective readjustment of the Canadian end of its business. The company is known to have profited from its Canadian opera-

A Brief Analysis of Four Over-The-Counter Leaders

THE BORDEN COMPANY

Earned per share, 1922.....$22.00
Earned per share, 1923..(E) 21.00
Current dividend rate....... 8.00
Recommended for investment: February 3, 1923, at $113.
*** Recent price, 123.**

Note: This corporation earns enough from its recently developed candy business to more than cover its dividend requirements. Its basic line of business, i. e., milk and milk products, is contributing to development of an already large surplus. The company is an old dividend payer and a leader in its field.

SINGER MANUFACTURING CO.

Earned per share, 1921....$13.20
Earned per share, 1922..... 23.96
Current dividend rate...... 7.00
Recommended for investment: November 24, 1923, at $126.
*** Recent price, $145.**

Note: Singer has charged off, in recent years, over $106,000,000 on account of potential losses represented largely by Russian holdings. Despite this immense write-off, the corporation still occupies a very strong financial position. It is a leader in a world-wide field.

AMERICAN TYPE FOUNDERS

Earned per share, 1921.....$16.26
Earned per share, 1922..... 16.90
Earned per share, 1923..... 19.82
(Fiscal year ends Aug. 31.)
Current dividend rate *7.00
Recommended for investment: Dec. 10, 1921, at $40.
*** Recent price, $103.**

Note: American Type Founders, the leader in its field, has a quarter-century dividend record behind it. Its earning power has developed rapidly in recent years and will be aided by opening of new manufacturing facilities now building. The stock was one of the first recommendations of the Over-the-Counter Department.

AMERICAN CYANAMID

Earnings per share, 1922... $3.54
Earnings per share, 1923... 23.96
(Fiscal year ends June 30th.)
Current dividend rate, $4.
Recommended for Investment: August 18, 1923, at $50.
*** Recent price, $86.**

Note: Expansion of the American Cyanamid Co., reflected in earnings per share, has been well maintained. Company has succeeded in substantially diversifying its activities and occupies a strong position in the chemical industry.

E Estimated. * As of February 8, 1924.

tions in the latter half of 1923, whereas it incurred a loss in the first six months. This is attributed to the greater attention paid domestic business as opposed to that for export. Obviously, this preferred stock, at present paying no dividends, and with accruals of some $10 per share due on it, is a highly speculative issue, but its potentialities, considering the price and the large earnings scored in the later months of 1923, are undoubtedly substantial. It may be recommended as a purely speculative commitment at the present levels.

McCall Corporation

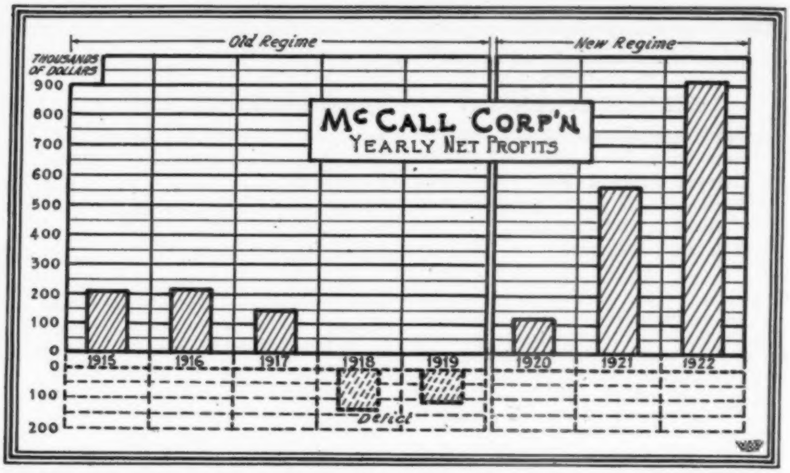
What Will the Annual Meeting Bring Forth?

McCALL CORPORATION, to which attention was first directed here as of July 21st, last, continues in good demand. In the time that has elapsed since the original recommendation, the company's common shares have advanced in price from 35 to the current level around 56. The market price of the preferred, per share, has remained about the same; however, the value of the issue to holders has actually steadily increased, due to the payments on account of dividend arrears which the issue has been receiving.

McCall is an excellent example of what management can do for a property. Over a long period prior to 1920, the company's affairs were not prosperous. Indeed, in the period from 1915 to 1919, although the dollar volume of the company's business increased more than 100%, its net profits decreased heavily. Thus, against gross sales of 2 millions in 1915, which yielded net profits of $205,000, the company's 1919 gross was almost 3.4 millions; but expenses consumed considerably more than the total gross in 1919, and against the previous net profit of $205,000 there was a deficit for the year of $110,000.

Late in 1919, new blood was injected into the management of the McCall Corporation; and the results immediately became apparent. Volume of business literally shot up from 3.4 millions in 1919 to no less than 6.8 millions in 1922, and net rose from the $110,000 deficit in 1919 to profits of more than $911,000 in 1922.

McCall Corporation has an annual meet-



In the above chart, the section entitled "New Regime" covers the period in which the present management has been in office. The superior results attained by this management are apparent

ing scheduled for February 19th, next. Investors who have become interested in the property since its progress became apparent are wondering what the report for 1923 will show.

As a matter of fact, interests favorably disposed toward the McCall Corporation would be just as well pleased if the 1923 report showed about the same results as those for 1922. This because the company reached capacity operations early in January a year ago and is understood to have operated on a 24-hour basis throughout the year. Hence, there could have been no expansion in output without a large increase in production expense.

Furthermore, during 1923, the McCall Corporation was actively engaged in completing and equipping its new Ohio plant, and good business policy would dictate that a large part of the extraordinary expenses incurred in equipping this plant be charged to current earnings. There is sufficient reason for believing that the expenses will be so charged. Altogether, then, a showing about equivalent to that for 1922 would be deemed highly satisfactory by those committed to the McCall Corporation.

What the company's results will be in 1924 is, of course, a very different matter. Indications all point to a decided improvement in results. The new plant (referred to above) will be open and ready for occupancy in May. Therefore, for at least seven months of the current year, the corporation will have additional capacity sufficient to accommodate the output which, at present, is running into "overtime." Conservative interests affiliated with the company are authority for the statement that the facilities of the new plant will permit of a saving of from $400,000 to $500,000 in production costs; and this estimate is likely to be substantially improved upon.

McCall Corporation preferred, a 7% cumulative issue, is available in the present market around 120. With about $27 per share in arrears due on this issue, its cost, to immediate purchasers, faces a prospective "write-off" down to about $93 per share. Nor is this "write-off" a conjectural one. The corporation has been reducing preferred arrears at the rate of 7%, since January, 1923, so that an eventual erasure of the whole obligation may be considered certain; furthermore, as the total arrears amount to less than $600,000—or less than the sum the corporation is likely to build up, in savings alone, after it has opened its new plant—there is a distinct possibility of their being discharged, in a lump payment. The issue is manifestly well intrenched, is preceded by no bonded debt, and has a definite claim to consideration in any well-rounded investment program.

It is, temporarily at least, in McCall common that the chief speculation lies. The equity of the common shares is gradually increasing with the discharges referred to above. And, once the path ahead of the common shares has been cleared, they should merit a considerably higher price than that now prevailing. Were the common to reach par ($100) prior to January, 1928, the preferred would begin to share in its speculative attractions, since the preferred is convertible into common at par up to that time.

McCall preferred is recommended for investment and the common as a sound speculation at current levels.

Which Oil Securities Offer the Best Possibilities?

A Feature Article in the March 1st Issue

See page 661

HOW WILL THE RECAPTURE CLAUSE DECISION AFFECT RAILWAY SECURITIES?

(*Continued from page 679*)

indefinitely. The railroads must continue to keep pace with the economic growth of the country and be in a position to handle expeditiously whatever traffic is offered. This requires that a large amount of new capital be invested in our transportation system each year. The proportion of total capitalization in the form of bonds is already becoming alarming, for in periods of depression fixed interest-bearing obligations become burdensome and often precipitate financial difficulties. The status of railroad credit must be restored to a basis where it will again be possible for the majority of the railroads to sell stock for the purpose of expanding facilties.

Until the stability and adequacy of earnings are assured the investment market will not absorb offerings of railroad stocks on a large scale. In the case of other industries the chance of abnormal speculative profits furnishes the needed incentive. But when the return on the investment is limited, but in no way guaranteed, the investor has nothing to gain and possibly a good deal to lose.

It has been decided that in the future, certain favorably situated roads will not be allowed to keep whatever earnings their strategic position enables them to secure. If the rights of private property employed in transportation are to be limited in this manner, we should also carry out the policy of permitting the carrier of average efficiency to earn a reasonable return. It is not just to recapture excess income from the strong without making an attempt to bolster up the credit of the weaker lines.

The validation of the recapture clause may encourage the Intertsate Commerce Commission to show more liberality in the fixing of rates. Only in this way can the railroads continue to furnish the unexcelled transportation service which the people of the United States now enjoy.

WHAT'S GOING TO HAPPEN TO YOUR INVESTMENTS THIS YEAR?

(*Continued from page 669*)

until their prices become so high as to make their income returns unattractive. While such a point has already been reached by some issues, which are now on a 5% return basis, there are still many excellent bonds and good preferreds which have not fully discounted the favorable money situation. We refer our readers to our Bond Buyers' Guide and Preferred Stock Guide for specific examples.

Meanwhile, the point to note is that the outlook for money is such as to indicate a continuance of present low rates for a considerable time. The Federal Reserve ratio, that convenient barometer of banking conditions, is now at the highest point

in its history. It is clear that the money underpinnings of the market are strong indeed. Speculative issues will continue to register violent movements in both directions, but as long as the money situation continues favorable there should continue to be a steady demand for securities of a decided investment character. Eventually such securities will no longer be attractive purchases, but that time is a long way off.

Common Stock Outlook

In the accompanying table, we have listed a few securities which are selling somewhat out of line with the money market. That is to say, the yields obtainable on these securities are now rather high in comparison with the money rate level. With the money influence predominant, it is to be expected that these issues will gradually advance to a level more in harmony with money conditions. The table is merely for purposes of illustration but may be used as a convenient guide in selecting issues of their type at the present time.

In reference to the common stocks there is a comparatively new influence, aside from the money market, which will undoubtedly continue to exert an important effect on future market movements of this class of securities. And that is the tendency to increase capitalization in order that the junior issues may continue to sell at considerably less than $100 a share. It has been discovered that the public is unresponsive to high-priced, relatively inactive, common stocks with wide differences between sales and bid and asked prices. The tendency is, therefore, to increase the outstanding common stock by stock dividends or offerings to the stockholders, whenever such issues establish the habit of selling to any considerable extent above $100 per share. In this process, cash reserves, equities and prospects are often capitalized but the result is that buyers appear at the lower market quotations where buyers were lacking at higher figures. For example, a limited number of investors bought Standard Oil of New Jersey when it sold around $200 a share. When its capitalization was increased five for one, and the new stock sold around $40 a share, there were ten buyers at the new price for one at the old. This is a matter of market psychology which the makers of markets well know how to utilize. In addition to a wider distribution the low-priced stock means less wide fluctuations with consequently less criticism of market movements, and, what is even more important to directorates, less criticism of large earnings and dividends by the public.

The stock table shows that there are comparatively few issues now selling above $100 a share. Of such many are about ready for further capital increases.

Conclusion

In conclusion it appears that the outlook for the investment markets, based on the position of money, is unusually good. As far as common stocks are concerned, there are special influences at work which are likely to push that class of securities to levels considerably above those now obtaining.

HOW TAX REDUCTION BY THE MELLON PLAN WOULD AFFECT THE COUNTRY'S BUSINESS

(*Continued from page 667*)

body. Yet there are congressmen who desire to continue this inequity while proclaiming to the public that they are putting the screws on the super-rich for the benefit of the poor!

Some Concrete Cases

"Let us take a concrete case, a man with an income of $200,000. He would need to have a return of 14.5 per cent on his investment, before taxes, to equal 5 per cent net. As he can get the 5 per cent from exempts without taking any risk or utilizing his time, ability and energy, you can count him and his fortune out of wealth-making and employment-providing. But if his income tax rate is reduced to 31 per cent, an 8 2-3 per cent return before taxes will leave him a net of 6 per cent, and there is some incentive to take risk, apply ability and put forth energy.

"A man in the 58 per cent tax bracket can get out of taxes altogether by putting his fortune in 4.5 per cent municipal bonds, and have as much of net income as if he were to have it in a business paying 11 per cent before taxes.

"This sort of thing is no great personal hardship on the man with accumulated wealth, who can easily exercise a lawful choice between risk, labor and worry on the one hand, and none on the other, with the income the same, but it is a hardship and a terrible handicap on the man who is in his business with his money. It checks his enthusiasm, throttles his initiative and tends to divert him from a beneficial and productive to a useless and parasitic life.

How It Works

Under the present law a man who is earning $50,000 a year has to give the government $8,500 of it. If he is making $100,000, Uncle Sam appropriates $30,000 of it; and if $150,000, your Uncle Sam relieves him of $58,000 of it. Under the plan proposed by Mr. Mellon these respective tax payments would be $6,600, $19,800 and $35,000.

"At $50,000 the government begins to take more than half a man's income from that point on. 'To share not at all in a man's losses and to take one half of his gains, making him work three days out of six for the government," Mr. Winston, under-secretary of the Treasury, well says, "is to impose odds too heavy to be borne. More and more the business adventure becomes too hazardous, and the high spirit of initiative disappears in discouragement. An economic system which permits wealth in existence to escape its share in the expense of government, and wealth in creation to be penalized until the creative spirit is destroyed, cannot be the right system for America.'

"'The defect of most of the suggestions for amendment of the Mellon plan is that they are inspired by a desire rather

to show a saving to the majority of the taxpayers of a small amount paid directly to the government than a saving by all of the people of a much larger amount in the adjustment of the high-price level.'

"Dropping down to the class of $25,000 and under, we find that the Mellon plan reduces the tax on an earned income of $25,000 from $2,496 to $1,389 for a married man with two dependent children; from $1,656 to $909 for $20,000; from $996 to $526.50 for $15,000; from $456 to $234 for $10,000; from $68 to $38.25 for $5,000, and from $28 to $15.75 for $4,000. These are relatively very substantial amounts and represent a great relief in restriction of income through taxation.

"In general, the assessment of earned incomes at only 75 per cent of the actually earned amount will directly relieve the taxpayers of $97,500,000, of which $96,000,000 will be divided among those having incomes of less than $100,000. On the other hand, the proposed reduction in the normal income tax of from 8 to 6 and 4 to 3 per cent will give relief to the extent of $92,000,000; about $90,000,000 applying to incomes of less than $100,000, and $65,000,000 out of that to incomes of less than $6,000. Reductions on the smaller incomes are of more direct importance than reductions of taxes on the larger incomes, for earned incomes in the lower brackets are of the sort that cannot shift taxes, because they are relatively stationary.

Why the Mellon Plan Is Best

"But even if the Mellon plan is not adopted in entirety will not a saving of over $300,000,000 in taxes have an excellent effect on the general economic life of the country?" I asked in conclusion.

"The Mellon plan," was the answer, "is the result of long study, with but one object, namely, to distribute the tax reduction with the most equitable and beneficial results to all the people. It was worked out laboriously and scientifically to that end. **It considers the direct and the indirect taxpayers, it discriminates justly between earned and unearned income, and it takes due account of the intricate incidence of taxation. Cutting and patching, it must inevitably result in a revenue law that will be out of balance and that may offset good with bad features and results.** This is especially true when partisan political considerations or special group interests dictate the patchwork.

"While tax reduction in itself may have an inspiring moral effect, even if it is clumsily and stupidly done, it will be an incalculable misfortune for the country if the present opportunity to make tax reduction an instrumentality of great business benefit and economic justice is lost. That taxes can be reduced is proof that we have seen and endured the hardest days of national debt-paying, and is a harbinger of easier times to come. But how much better it will be if we can have not only less taxation but more business—more wealth, more production and stimulated productivity. The Mellon plan will give us both of these goods. None of the substitutes will."

BUSINESS ON STABLE FOOTING

(*Continued from page* 686)

goods during the year our trade balance was only about $376,000,000. Had it not been for the excessive price of cotton, due to the ravages of the boll weevil, our favorable balance would probably have been unfavorable. We have, in short, lost ground tremendously, relatively speaking, in foreign countries, while the success of foreigners in getting into our market, in spite of the unprecedented tariff rates that now prevail, is indicated by the record-breaking customs receipts running well up toward $583,000,000, that were paid into the Treasury during the twelve months of 1923. Analysis of the figures is not altogether encouraging, particularly in the field of manufactures, because it seems to show that, with labor and other costs as high as they are here, we shall not be able to hold our own but must reconcile ourselves to losing ground—in the absence of course of some unexpected demand for our products such as might grow out of war or other disturbance in Europe. Of course, this inability to gain an outlet for manufactures must in due time exert a very retarding effect upon American industry as a whole, just as has been the case already with the farming industry which, through inability to sell its goods abroad, has suffered the effects of overproduction. In the diagram representing foreign trade balances, the peculiar position which we have now reached is clearly indicated.

Banking and Finance

The great strength of the business situation today is undoubtedly found in the solidity of our banking and finance. Reference has already been made to the favorable money conditions, but it should be added that, as time goes by, the stronger position of the banks in most parts of the country becomes evident. Not only have they great resources, but there has been during the past month an increasing amount of care in the selection of risks and an increasing degree of success in avoiding them, largely due to the greater stability of prices. The Northwestern banking situation constitutes an exception to these favorable conditions, but is fortunately limited in its scope, since there has been little or no evidence to show that conditions there are likely to spread beyond a comparatively small area. Public finance is in an exceptionally good condition, with surplus revenues in the Treasury and a steady reduction of public debt which has tended to advance the price of government securities as well as to make new borrowing much more easily and cheaply possible. Decided progress is being made with the tax reduction program, and there would seem to be good reason for supposing that a tax reduction measure of considerable importance will be forced through Congress at this season, as the result of the efforts made by President Coolidge and his Secretary of the Treasury. As long as this prospect prevails, it undoubtedly has a

very material influence in keeping up confidence on the part of those who are planning business extensions, and so is a significant factor in the stock and securities market.

DOING OUR BEST TO LOSE WORLD TRADE

(*Continued from page* 685)

financing foreign trade has done very little that could not have been done through ordinary banking methods as they existed before the acceptance power was granted. The policy of our banks has been such as to make it impossible for the United States or for New York to retain the position as a world money market which it had assumed during the brief period of the war, and it does not now seem very likely that we shall be able to get back the position thus temporarily held and abandoned, unless there is a drastic difference in policy on the part of our bankers, and incidentally on the part of the Federal Reserve System.

Reasons for Failure

In contemplating the entire failure of our banking system to take up the task of financing foreign trade, full allowance must, of course, be made for the great difficulties imposed by the war, and for the fact that the unsettlement of exchanges abroad created obstacles that immensely increased the risk of foreign business. After all allowance of this sort has been made, the following facts seem to stand out quite clearly:

1. *Our banking institutions have not used good judgment in the selection of locations for branches or in their management.*
2. *In many cases men placed in charge of foreign operations were inadequately trained for the work.*
3. *Parent banks have not been willing to build up slowly as foreign institutions have done, but called for immediate profits and suffered the consequence of resultant losses.*
4. *Reserve banks have done nothing under their charter powers to assist and sustain domestic banks or domestic business through the establishment of offices of their own in foreign countries.*
5. *Manufacturers have not collaborated closely with American banks engaged in the foreign trade or vice versa, and neither group has collaborated closely with American shipping enterprise for the purpose of developing a united "drive" for the control and retention of foreign markets.*

The general conclusion to be drawn from the experiment is that at the present time American business is not sufficiently interested in foreign trade to incur the expense and trouble either of an industrial or financial sort necessary to get and keep it.

Federal Reserve Relations

In looking into this history, we ought not to overlook the fact that Federal Re-

serve management has had a due share of responsibility in connection with our retirement from foreign banking, and our failure to make any material advance along the lines which we had originally undertaken. The Federal Reserve Act, recognizing the difficulty of getting an adequate foreign branch development under an independent banking system, had given to Federal Reserve banks the authority to establish foreign branches where and when they chose, and at such branches to engage in direct business relations with individulas as well as with banks.

This was intended to provide a means of building up and sustaining our foreign banking system during its early days, by furnishing a nucleus of organization, while at the same time assuring the average man an unquestionable opportunity to secure discounting opportunities for his paper in foreign trade. Such an extension of the Federal Reserve system's activities was proposed early in the history of the system but never made any progress, largely owing to the opposition of some of the stronger commercial banks which at that time had the impression that they might be able to go into the foreign field upon a large scale themselves; as indeed they afterward sought to do. As a result of the conflict of interests and opinion in the Federal Reserve System, that System has never established any active foreign branches except one at Havana, Cuba, whose operations and future are still to be developed.

WHAT ARE YOU DOING TO PROTECT YOUR ESTATE FROM LOSS?

(Continued from page 672)

if he can find any of that nature. Let us see:

Can you, so quickly, find a purchaser for the real estate who does not sense a forced sale? Just try getting rid of a piece of property in a hurry—and see! Besides, where the real estate is the family home, very often the family do not wish to dispose of it—except as a last resort.

Then how about selling at least a part of Mr. A. B. Man's business interests? I have tried that very thing more than once, and the following obstacles almost always appear:

A prospective purchaser generally wants all or none of the business interest, together with a substantial discount (where Mr. A. B. Man has been in business alone) in consideration of the risk involved now when the personality and individuality of Mr. A. B. Man are lost assets formerly of inestimable value. It often proves better to wait, and to have the business run—temporarily at least—by the family interests, or on a share basis.

Where Mr. A. B. Man was associated with others, by-laws and agreements between the parties usually are discovered, in which there is an option to buy in (generally at a certain figure) before the interest may be offered outside.

If the business is prosperous—that fig-

Stockholders Meetings

NATIONAL ENAMELING AND STAMPING COMPANY, INC.

Executive Office, 411 Fifth Avenue

The Annual Meeting of the Stockholders of the NATIONAL ENAMELING AND STAMPING COMPANY, Inc., will be held at the principal office of the corporation, Hudson County National Bank Building, Nos. 243-245 Washington Street, Jersey City, New Jersey (Office of the New Jersey Corporations Agency), at 2 o'clock in the afternoon, on Tuesday, February 19, 1924, for the purposes of electing Directors, ratifying and confirming all actions taken at the various meetings of the Board of Directors and Executive Committee (the records of which will be presented at the meeting, and will be open to the inspection of Stockholders), and for the transaction of such other business as may be brought before the meeting. Under the laws of the State of New Jersey, no stock can be voted which has been transferred on the books of the corporation within twenty (20) days next preceding this election, namely, January 31, 1924, to February 19, 1924, both inclusive.

HAYWARD NIEDRINGHAUS,
Secretary.

Dividends

Hayes Wheel Company

Jackson, Michigan

January 29, 1924.

The regular quarterly dividend of 75 cents per share upon the non par capital stock of the Company will be paid on March 15, 1924, to stockholders of record at the close of business February 29, 1924.

The transfer books will not close.

C. G. MACKAY, Secretary

GUANTANAMO SUGAR COMPANY

The Board of Directors has this day declard a dividend of two dollars ($2.00) per share on the Preferred Stock for the quarter ending March 31, 1924, payable April 1, 1924, to stockholders of record at the close of business March 15, 1924. The transfer books will not be closed.

GEORGE H. BUNKER, Treasurer.
New York, February 5, 1924.

ure is now below the true worth of the interest of Mr. A. B. Man, and it is more profitable for the family to hold the interest and receive its share of profits.

If the business is going backwards, the others will not bid at the figure—and they know that, ordinarily, no one else will either!

No, the immediate disposal of a business interest after death is extremely uncertain—and almost sure to involve considerable sacrifice.

Hence, the Executor or Administrator usually decides to sell some of the more liquid assets. It is a great gamble. If Mr. A. B. Man happens to die during a bull market, reasonable profits might result. On the other hand, a forced sale of securities very often means a heavy sacrifice. The best bonds would probably bring close to par, yet you are then piercing and weakening the very foundation of the estate. You remember how aptly THE MAGAZINE OF WALL STREET illustrated the proper structure of an estate some time ago by drawing a pyramid, built of blocks of security holdings carefully graded. Just imagine yourself removing many of the solid blocks at the bottom! You would want to keep one eye upon the whole pyramid lest it topple at any moment.

In other words, if the value of the securities and property which come into the charge of the Executor materially exceeds their value when the will was drawn, their sale might suffice to pay taxes and costs, and leave sufficient to carry out the provisions of the will. If, on the other hand, their value falls much short of the value on which the provisions of the will were based, and a sale is necessary, in order to pay taxes and costs, the estate may be destroyed or at the best it is liable to be greatly diminished. In either case, wife and children or other dependents will suffer, and institutional and other bequests will either be reduced or lost entirely. Thus, added to the other burdens, there is an ascertainable sum to cover depreciation, which the Executor must find if the will is to stand as drawn.

How to Forestall Trouble

Mr. Average Business Man, GO OVER YOUR WILL AND YOUR ESTATE FREQUENTLY. Check up the costs and liabilities of your estate, leaving nothing to chance that can be avoided and provid-

ing a margin for safety as you do in your business. Weed out securities which, due to changes either in themselves—in your own financial status—or both, are now unsuited to your case. PUT YOURSELF IN THE SHOES OF YOUR EXECUTOR FOR A FEW HOURS—AT LEAST ONCE EACH YEAR. In other words, not only SET your house in order for the inevitable, but keep it in order. Then, if you have made sufficient provision through Life Insurance, Living Trusts or otherwise for everything and everybody you desire—and are satisfied—leave well enough alone. But—if you have NOT, then—

1. You can set aside at once a sufficient sum of ready money which you estimate will finance your estate after your death. This is costly, for it necessitates the withdrawal of capital which you probably could otherwise more profitably employ.

2. You can purchase and set aside sound securities to be sold for the express purpose of financing your estate. This is also taking capital from your business, but the interest loss will not be so great. There would, however, be a somewhat greater risk of principal coupled with the questionable selling price of the securities.

3. Create a Living Trust, the income to accrue, and the whole fund to be immediately applied upon your death to the financing of the settlement of your estate. Broadly speaking, this fund will not only escape the delay and publicity incident to the Probate proceedings of the rest of the estate, but it will escape the Inheritance Tax as well.

4. Select one of your policies of Life Insurance having a principal sum about equal to the amount you have estimated as necessary to finance your estate after your death. Make a Trust Company the beneficiary, and file with it and the Insurance Company a trust deed, setting forth the purpose of this Insurance Trust. Broadly speaking, this may be done at an annual expenditure of from 2% to 5% of the amount to be provided. The proceeds in this case also escape the Inheritance Tax.

Set Your House in Order Now!

Whichever means suits your individual case, and which is to a very large extent to be determined by the size and nature of your estate, set your house in order now. There is just as much reason to take pride in your estate after death—as your estate now. An estate well financed, resulting in efficient settlement after death, becomes a matter of public record —and a living and final tribute to the skill and prudence of a business man above the average.

INCOME TAX DEPARTMENT

(Continued from page 710)

obliged to make return, and how does such return affect her husband's declaration?—C. H.

A. It would be advisable for you and

your wife to file a joint return showing a total income of $5,700. This would not be subject to any tax, however, since dividends are subject only to surtax and the surtax imposed on incomes ranging upward from $6,000. Unless a joint return is filed, both you and your wife are obliged to make separate returns.

Bankruptcy of Stock Broker

Q. Over a year ago I was carrying an account with a brokerage house which was declared bankrupt, and which, due to the complications resulting in settling the estate, there has to date no dividends been declared. My account consisted of stocks being carried on margin account which, of course, were closed out as of the date of the bankruptcy and which in itself resulted in a loss to me between the purchase price of the stocks and the market price as of that date. In addition to this there is, of course, the loss of my credit balance with the firm part of which may partially be recovered when the estate is finally cleaned up. Will you please advise?

(a) If I may obtain credit on my current income tax return for the net loss resulting from the lower market price of the stocks when same were closed.

(b) Also must I wait until the estate is entirely settled before I can obtain credit for the loss of the credit balance or portion thereof? Would it be possible to show the entire loss in this year's return and then show as income on future returns that portion of the loss which may be recovered?—H. S. D.

A. (a) The loss on the difference between the cost of your stocks and the amount they were sold for was deductible by you in the year in which the sale took place.

(b) It is not necessary for you to wait until the entire estate is settled before you can deduct any loss on the credit balance in your account at the time of the bankruptcy. You can write off as a loss for 1923 so much of your credit balance as was definitely ascertained to be uncollectible in 1923. If in 1924 you find that a still greater amount will be lost than anticipated, an additional deduction can then be taken. If the amount that you receive as a dividend from the estate exceeds the balance not written off, the excess will be income to you in the year in which the dividend is received.

Replacing Equipment

Q. Kindly advise our income liability on the new boiler which we were obliged to install in 1923. In July we found trouble in our old one and tried to fix it, but were unable to get a satisfactory result. In November we placed an entirely new one in operation. Will this increase our inventory the full value or are we allowed a depreciation? Is this item a capital investment?—W. E. J.

A. The cost of a new boiler must be capitalized. The cost of the boiler torn out less depreciation up to the time it was torn out can be taken as a deduction. Depreciation hereafter can be taken on the cost of the new boiler.

Would You Hunt Partridge With A 3-inch Field Piece?

Seems Ridiculous!

Yet the manufacturer of high-priced commodities is constantly doing it in his advertising!

It is logical to assume that $5,000 a year is the lowest income for a purchaser of quality products. Only one out of every hundred and sixty-one persons in the United States earns $5,000 or more, a year! There are only 56,000 manufacturing concerns in the United States, rated $35,000 or over.

The "Quality Market" is limited, and those manufacturers who are attempting to reach it through the use of mass mediums are wasting a lot of money—Hunting partridge with a field piece!

The average yearly income of our readers is over $7,000! Our net paid circulation is over 40,000, reaching an actual audience of a hundred thousand people financially able to purchase high-priced commodities. It is good business to advertise to people *financially able* to purchase your goods!

An illustrated brochure describing this unusual market will be mailed on request.

The MAGAZINE of WALL STREET

MEMBER A. B. C.

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The largest proven paid circulation of any financial publication in the world

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These Pierce-Arrows plow 70 miles to reach snow-bound mountain towns

BLIZZARDS rage. Snow clogs the Berkshire roads—but, roads or no roads, food must reach the thousands of families living in the mountains.

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* * *

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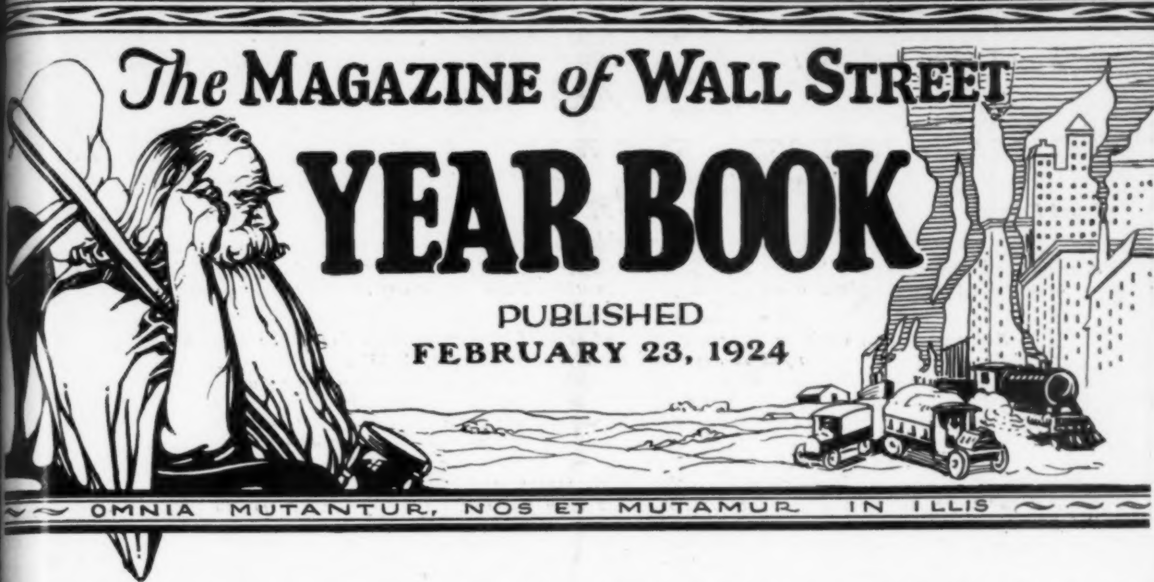

The MAGAZINE *of* WALL STREET

YEAR BOOK

PUBLISHED
FEBRUARY 23, 1924

OMNIA MUTANTUR, NOS ET MUTAMUR IN ILLIS

What Happened in the 1923 Stock Market?

By RICHARD D. WYCKOFF
Editor, The Magazine of Wall Street

The Money and Credit Situation

By H. PARKER WILLIS

Dividend Changes in 1923

Significant Features in Commodities

Corporation Financing in 1923

What 1923 Did for Our Railroads

Comparison of Earnings and Dividends

of leading companies over a period of years

Complete Statistical Records

— *of* —

Stock Prices
Bond Prices
Commodities

Rail Earnings
Oil Industry
Utility Costs

Shipping
Motor Industry
Steel Companies

Second Annual Yearbook of The Magazine of Wall Street

All of these Bonds having been subscribed for, this advertisement appears only as a matter of record.

$150,000,000

Imperial Japanese Government External Loan of 1924

Thirty-Year Sinking Fund 6½% Gold Bonds

Dated February 1, 1924 *Interest payable February 1 and August 1* *Due February 1, 1954*

Non-Redeemable for Fifteen Years

Principal and interest payable in New York City at the office of the Yokohama Specie Bank, Ltd., in United States gold coin of the present standard of weight and fineness, without deduction for any Japanese taxes, present or future.

Coupon Bonds in denominations of $1,000, $500 and $100

Redeemable as a whole or in part, at par and accrued interest, at the option of the Government, upon 90 days' notice, on or after February 1, 1939.

Monthly Sinking Fund payments at the following annual rates, commencing August 1, 1924, and continuing while any of the Dollar Bonds are outstanding, will be used to purchase such Bonds in the market at not exceeding 100% and accrued interest:

From August 1, 1924 to July 1, 1929, inclusive,	$5,000,000 *per annum*
From August 1, 1929 to July 1, 1934, inclusive,	$4,000,000 *per annum*
From August 1, 1934 to maturity	$3,000,000 *per annum*

The following statement concerning the Bonds has been prepared for us by Mr. Kengo Mori, Special Finance Delegate of the Imperial Japanese Government:

AUTHORIZED ISSUE *The Imperial Japanese Government External Loan of 1924 is to be an International Loan to be issued in the United States of America, England and Holland, as follows:*

United States and Holland........$150,000,000
England £25,000,000

The Bonds of this Loan are to direct external obligations of the Imperial Japanese Government. Bonds of the American and Dutch issue are to be payable in United States gold coin or, at the option of the holder, in London in Sterling at an exchange rate of $4.8665 to the pound Sterling. Bonds of the English issue are to be payable in Sterling only. The issue in Holland will be made by Messrs. Hope and Co. and their associates, at the same price as in New York. The issue in England will be of Thirty-Five-Year 6% Bonds to be offered at 87½% and interest, yielding about 6.96%, by the Westminster Bank, Ltd., Hong Kong & Shanghai Banking Corporation, Yokohama Specie Bank, Ltd., Messrs. Baring Bros. & Co., Ltd., Messrs. Morgan, Grenfell & Co., Messrs. N. M. Rothschild & Sons and Messrs. J. Henry Schröder & Co.

SPECIAL PROVISIONS *The Japanese Government covenants that if, while any of the Bonds of this Loan are outstanding, it shall secure any loan by a lien or charge upon any of its specific revenues or assets, it will secure the Bonds of this Loan equally and ratably with any obligations secured by such lien or charge.*

SINKING FUND *The Japanese Government convenants that, commencing August 1, 1924, and continuing while any of the Dollar Bonds are outstanding, it will deposit in New York with the Yokohoma Specie Bank, Ltd., its fiscal agents, in equal monthly instalments, the following sums to be used as a Sinking Fund to purchase such Dollar Bonds in the market at not exceeding 100% and accrued interest, viz.:*

For each of the five years from August 1, 1924, to July 31, 1929........................... $5,000,000
For each of the five years from August 1, 1929, to July 31, 1934........................... $4,000,000
And annually from August 1, 1934, to maturity...$3,000,000

If in any month Bonds are not obtainable at or under 100% and accrued interest, the unused portion of the monthly Sinking Fund payment at the end of the month will revert to the Japanese Government. A separate Sinking Fund will apply to the English issue.

PURPOSE OF ISSUE *The proceeds of this Loan are to be used, in part, to retire the outstanding balance of the Imperial Japanese Government 4½% Sterling Loan, First and Second Series, due February 15, 1925, and July 10, 1925, respectively, and, in part, to purchase materials and supplies for the reconstruction necessitated by the earthquake and fire of September, 1923.*

Of the above-mentioned 4½% Sterling Loan originally issued in the aggregate amount of £60,000,000, about £25,000,000, or 40%, has already been retired by the Japanese Government through purchases in the market, leaving outstanding such bonds of a par value equivalent, at the fixed rate of exchange named in the bonds, to approximately $170,500,000. The Japanese Government is to call these outstanding bonds for redemption on October 1, 1924, at par ($974 per £200 bond) together with accrued interest to that date, is accordance with its right of redemption expressed in the bonds.

The Government's reconstruction program calls for an estimated expenditure by the Government of about $700,000,000 of which it is expected that about $300,000,000 will be spent in purchases outside of Japan. This latter sum is to be made available from the proceeds of this Loan and from existing funds now at the disposal of the Japanese Government in New York and in London. It is the intention of the Government that the remainder of the funds for reconstruction purposes shall be raised in Japan.

This Loan, together with the existing foreign balances mentioned, will, therefore, provide not only for the retirement of substantially the whole of the Japanese Government's external debt maturing prior to 1931, but also for the Japanese Government's entire estimated financial requirements in foreign markets for reconstruction work.

REVENUES and EXPENDITURES *In every year since 1881-1882, the ordinary revenues of the Japanese Government have exceeded its ordinary expenditures. Although extraordinary revenues (exclusive of proceeds of loan issues) have not always fully covered extraordinary expenditures, the Government's indebtedness has arisen, not from a series of recurring budget deficits, but, apart from the expenses of the Russo-Japanese War, principally from the purchase and improvement of economic undertakings, such as the railway, telegraph and telephone systems and the development of new territory.*

PREVIOUS ISSUES *This Loan is the first direct external issue made by the Imperial Japanese Government in the American market since 1905, the year of the Russo-Japanese War. In March and in July of that year, part of the 4½% Sterling Loan, above referred to, was offered to yield about 5.32%, and, in November, part of an international 4% Loan, maturing in 1931, was offered to yield approximately 4.67%. These offerings in the United States aggregated about $137,500,000 par value of bonds.*

WE OFFER THE ABOVE BONDS FOR SUSCRIPTION, SUBJECT TO ALLOTMENT, AT 92½% AND ACCRUED INTEREST, TO YIELD 7.10% TO MATURITY.

All subscriptions will be received subject to the issue and delivery to us of the Bonds as planned, and to the approval by our counsel of their form and validity.

Subscription books will be opened at the office of J. P. Morgan & Co. at 10 o'clock A. M., Friday, February 15, 1924. The right is reserved to reject any and all applications, and also, in any case, to award a smaller amount than applied for.

The amounts due on allotments will be payable at the office of J. P. Morgan & Co., in New York funds to their order, on or about March 3, 1924, as called for, against the delivery of Interim Receipts or temporary Bonds, pending the preparation of definitive Bonds.

Payment for Bonds allotted may be made in the bonds of the Imperial Japanese Government 4½% Sterling Loan of 1905, First and Second Series, due, respectively, February 15, 1925, and July 10, 1925, with unmatured coupons attached, which will be accepted at prices equivalent to a 4¾% interest yield basis computed from the date of payment of subscriptions to October 1, 1924, the date as of which the 4½% bonds are to be called for redemption as above stated.

The par value of all Japanese Government bonds quoted on the New York Stock Exchange is $974 per £200 bond.

Circulars describing the Loan in greater detail may be obtained from any of the undersigned upon request.

J. P. Morgan & Co. *Kuhn, Loeb & Co.* *The National City Company* *First National Bank, New York*
National Bank of Commerce in New York *American Exchange National Bank* *Bankers Trust Company, New York*
The Equitable Trust Company of New York *Bank of the Manhattan Company* *Mechanics & Metals National Bank*
Guaranty Company of New York *Yokohama Specie Bank, Ltd.* *International Acceptance Bank*
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New York, February 14, 1924.

The MAGAZINE *of* WALL STREET YEAR BOOK

CONTENTS

Second Annual Number **February 23, 1924**

Copyrighted 1924, and Published by the Ticker Publishing Co., 42 Broadway, New York, N. Y. Richard D. Wyckoff, Editor. H. Parker Willis, Business and Banking Editor. E. D. King, Managing Editor. Victor E. Graham, Vice-President and Advertising Manager. The information herein is obtained from reliable sources, and, while not guaranteed, we believe it to be accurate. Free to yearly subscribers of The Magazine of Wall Street.

THE MAGAZINE OF WALL STREET
YEAR BOOK
Analyses -- Records -- Graphic Reviews -- Statistics
Published February 23, 1924

To Our Readers

IN issuing the second annual Year Book of THE MAGAZINE OF WALL STREET, our principal consideration has been to present facts and statistics in such a form as to render them easily available to investors desirous of becoming acquainted with the activities of the leading markets and corporations in 1923. Practically all the material presented in this Year Book, therefore, is of direct, consequential value from a security viewpoint, in which respect we believe our annual number is quite unique among other enterprises of a similar nature. We have also incorporated reviews of the activities of leading industries and other matter relating to business conditions in such a way as to give a brief, coherent expression of the important factors with which investors must become familiar in order that they may produce successful results in the coming year.

We believe that this Year Book will be of particular aid to two classes of investors, (1) those who already hold securities and who desire to become more fully acquainted with important data which effect them, and (2) those who propose to acquire securities during the coming year and who desire to learn something about their fundamentals.

Wherever possible, we have included complete statistics of 1923 company operations. In some cases, where earning reports have been delayed, we have submitted estimates, most of which are based on partially complete reports issued earlier in the preceding year. These estimates, from our experience, will be found to closely parallel actual final earnings as reported by the respective companies. We have also included complete figures regarding capitalization, financial position and record of market movements of the various stock issues. The final result, we believe, is to give a complete and authentic statistical history of the most important companies whose securities are listed on the New York Stock Exchange.

It is suggested that readers make full use of the graphs appended to the various reviews. In many cases, these graphs give a complete idea as to the progress of the various industries over a period covering a number of recent years.

We trust that our readers will make constant use of the material presented in this financial reference book. While it deals with conditions of the past, it will prove a good foundation for intelligent appreciation of conditions to come in the security markets and the business world in general.

The Institution of

The MAGAZINE of WALL STREET

THE MAGAZINE OF WALL STREET is more than a fortnightly publication. It is an institution with six separate services serving a clientele numbering many thousands. It serves the salaried man or the wage earner striving to attain to financial independence as well as the man with a multitude of business interests. The services of THE MAGAZINE OF WALL STREET are, first,—

The Magazine of Wall Street

which has the largest attested circulation of any financial publication in the world. It has as its goal a nation of intelligent investors. It is the lowest cost investment insurance policy issued. It is non-technical and guides the lay reader through the different mazes of profitable investment, and at the same time provides a liberal education in investment, finance, and economics.

Individual Inquiry Service

The entire staff and extensive research files of the free inquiry service are constantly at the service of subscriber-readers of the magazine. The department offers a personal service, each inquiry being studies from the special view-point of the inquirer, taking no consideration his particular resources or circumstances.

The Investment and Business Service

keeps the investor in intimate touch with conditions, enabling him to take advantage of the short swings and long pulls, or the occasional reactions or brief upward movements of the security markets. It supplements and does not duplicate THE MAGAZINE OF WALL STREET advices and meets the requirements of the average investor. It enables him to supplement his income yield with a trading gain.

The Trend Trading Service

is a fast wire service, dealing only in New York Stock Exchange securities and adapted to the requirements of the active trader who desires to take advantage of the market's minor fluctuations by operating on both the long and short sides of the market.

The Richard D. Wyckoff Analytical Staff Service

offers to its Associate Members a distinctly Individual Advisory Service on speculative investment transactions. It is practically the Associate Members' personal Investment Staff. Subscribers are advised not only what and when to buy and sell, but are also guided as to the size of the commitments in each security.

The Financial Book Department

This department developed out of the demands made upon the magazine and its related services for advice regarding the books to be read by those who are endeavoring to perfect their knowledge of various phases of finance. During the past fifteen years a number of books published by THE MAGAZINE OF WALL STREET have attained recognition as standard text books.

The Investors' Advisory Board Service

This is a unique personal service for conservative investors, trustees of estates, those acting in a fiduciary capacity and others who have in mind the protection of their capital and appreciation of income.

The summary gives only an idea of the scope of The Institution of THE MAGAZINE OF WALL STREET but will enable you to determine wherein we may serve you to even better advantage than we are doing now.

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- ☐ The Inquiry Department
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- ☐

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Name .... Street Address ....

City and State .... Occupation ....

My available capital is—for investment $..............

—for trading purposes $..............

YB-2

The Magazine of Wall Street Recommendations Yield Substantial Profits in 1923

THE MAGAZINE OF WALL STREET security recommendations for 1923 worked out to the substantial profit of its readers.

Below is presented a tabulation of the principal recommendations in each issue of the MAGAZINE during the year, showing a total of 1247 points profit, including dividends paid during the time the stocks were held, against which are losses of only 216 points. With the dividends excluded the recommendations showed 954 points profit, or more than 4½ times the losses.

In a great many cases these losses are only constructive ones as the stocks are still held and show an appreciation that cannot well be tabulated at this time.

In other cases the securities were bought in the closing months of 1923, and the prices recorded are merely those of the early part of January in which a moderate improvement is shown.

Had the end of January prices been used the paper profits on the unsold stocks would have been increased 75 to 100 points greater than shown.

Date of Issue 1923 / Stock	Price Recommended	Sale Recommended	Price	Profit	Loss
Jan. 6—Neutral Attitude on Investment Purchases					
American Woolen pfd. (7)	107	Held	Now 111	4	..
Railway Steel Springs (8)	117	Held	Now 120	3	..
Jan. 20—					
Union Tank Car (6)	82	Apr. 28	90	8	..
Martin-Parry (3)	28	Held	37	9	..
American Can (6)	82	Apr. 28	96	14	..
Congoleum (8)	125	Held	Now 190*	65	..
Feb. 3—Constructive Attitude Taken Towards the Market					
Yale & Towne (4)	58	Held	Now 70	12	..
B. F. Goodrich	36	Apr. 28	36	..	..
N. J. Zinc (10)	170	Held	170	..	..
Royal Baking Powder (8)	123	Held	135	..	..
Feb. 17—					
Ill. Central (7)	113	Apr. 28	114	1	..
Am. Tel. & Tel. (9)	122	Apr. 28	123	1	..
Cal. Pet. pfd	98	Apr. 28	101	3	..
Westinghouse E. & M	65	Apr. 28	58	..	7
U. S. Steel (5)	106	Apr. 28	105	1	..
Gillette Safety Razor (12)	270	Held	280*	10	..
Borden Co. (8)	113	Held	125	12	..
Mar. 3—					
Julius Kayser	43	Apr. 28	38	..	5
Baldwin Locomotive (7)	138	Apr. 28	138	..	..
Amer. Locomotive (6)	126½	Apr. 28	134	7½	..
Mar. 17—					
Mont. Ward	23	Apr. 28	24½	1	..
Sears-Roebuck	90	Apr. 28	80	3	..
Bayuk	57	Apr. 28	57	..	..
Butterick	19	Apr. 29	17	..	2
General Baking (6)	82	Apr. 28	96½	14½	..
Cons. Cigar	35½	Apr. 28	31	..	3½
General Cigar (8)	92	Apr. 28	87	..	5
Amer. Tobacco "B" (12)	154	Apr. 28	151	..	3
Humble Oil	39	Apr. 28	32	..	7
Mar. 31—Constructive Attitude Modified. Urge Gradual Liquidation					
Missouri Pac. pfd	44	Apr. 28	42	..	2
Famous Players (8)	88	Apr. 28	85	..	3
April 14—					
Bethlehem Steel 5)	65	Apr. 28	64	..	1
Cal. Packing (6)	81	Apr. 28	85½	4½	..
Studebaker (10)	121	Apr. 28	123	2	..
Timken Roller Bearing (3)	43	Oct. 13	35	..	8
April 28—Convert Holdings Into Cash					
Van Raalte	45	Oct. 13	32	..	13
Cons. Gas (5)	65	Oct. 13	61	..	4
May 12—Neutral Attitude on Investment Purchases Generally					
Cuban-American Sugar (3)	31	Oct. 13	30	..	1
American Sugar	75	Oct. 13	60	..	15
Julius Kayser	35	Oct. 13	35	..	..
Maxwell A	49	Oct. 13	37	..	12
Magma	33	Oct. 13	29	..	4
Pere Marquette (4)	40	Oct. 13	41	1	..
Spicer	21	Oct. 13	14	..	7
Anaconda (3)	45	Oct. 13	35	..	10
Amer. Type Founders (7)	80	Held	100	20	..
Savannah Sugar pfd. (7)	80	Held	80	..	..
May 26—Neutral Attitude Towards Investment Purchases Generally					
Famous Players (8)	75	Oct. 13	70	..	5
American Thread	4	Held	Now 4	..	..
June 9—Neutral Position Unchanged					
Atchison (6)	100	Oct. 13	99	..	1
Superheater Co. (8)	105	Held	Now 210*	105	..
June 23—Neutral Position Unchanged					
So. Railway	34	Oct. 13	33	..	1
American Arch (8)	150	Held	Now 240*	90	..
June 23—(Continued)					
Amer. W. W. 1st pfd. (7)	89	Oct. 13	92	3	..
Famous Players pfd (8)	93	Oct. 13	89	..	4
July 7—Neutral Position Unchanged					
Bucyrus	35	Held	46	11	..
Southern Railway	32	Oct. 13	33	1	..
Chesapeake & Ohio (4)	62	Oct. 13	66	4	..
Mack Trucks 1st pfd. (7)	94	Oct. 13	91	..	3
Stewart-Warner (10)	78	Oct. 13	81	3	..
July 21—Conservative Constructive Position Suggested					
Republic Iron & Steel pfd. (7)	91	Oct. 13	87	..	2
Union Pacific (10)	130	Oct. 13	129	..	1
New York Central (6)	99	Oct.13	101	2	..
Amer. Tel. & Tel. (9)	122	Oct. 13	123	1	..
General Electric (8)	174	Oct. 13	171	..	3
Amer. Locomotive (6)	67	Oct. 13	69	2	..
Amer. Tobacco B (12)	144	Oct. 13	147	3	..
Westinghouse E. & M. (4)	56	Oct. 13	57	1	..
American Car Foundry (12)	158	Oct. 13	156	2	..
American Woolen (7)	85	Oct. 13	71	..	14
Brooklyn Edison (8)	110	Oct. 13	107	..	3
Detroit Edison (8)	103	Oct. 13	103	..	..
North American (2)	21½	Oct. 13	20½	..	1
Brooklyn Union Gas (8)	110	Oct. 13	110	..	..
August 4—No Change in Market Attitude					
Am. W.W.&El. 1st pf. (7)	90	Held	91	1	..
Stand. Oil of Cal. (2)	51	Oct. 13	52	1	..
Stand. Oil of Ind.	52	Oct. 13	56	4	..
Stand. Oil of N. J (1)	34	Oct. 13	33	..	1
Prairie Oil & Gas	175	Oct. 13	167	..	8
Borden (8)	118	Held	125	7	..
August 18—Preparation for Better Market in Progress					
Baldwin Locomotive (7)	114	Oct. 13	116	2	..
Amer. Cyanamid (4)	49	Held	90	41	..
Mack Trucks (6)	74	Oct. 13	71	..	3
Stewart-Warner (10)	86	Oct. 13	84	..	2
U. S. Steel (5)	88	Oct. 13	88	..	..
American Can (5)	88	Oct. 13	93	5	..
Assoc. Dry Goods (5)	81	Oct. 13	75	..	6
Moon Motors (3)	21	Oct. 13	23	2	..
Sept. 1—Market Outlook Healthier					
Market St. Ry. P. R. pfd. (6)	65	Oct. 13	66	1	..
Cluett-Peabody Co. (5)	66	Oct. 68	66	2	..
Lima Locomotive (4)	65	Oct. 13	64	..	1
Youngstown S. & T. (5)	66	Oct. 13	64	..	2
Allied Chemical (4)	60	Oct. 13	63	3	..
Bucyrus	35	Held	Now 56	21	..
Childs Co. pfd. (7)	108	Held	Now 113	5	..
Sept. 15—Corrective Reaction Probable, But Situation Healthy					
Otis Elevator (8)	121	Oct. 13	124	3	..
U. S. Steel (5)	92	Oct. 13	68	..	4
Butterick	18	Oct. 13	18	..	..
McCall Corp.	41	Held	Now 51	10	..
Vivaudou	18	Oct. 13	17	..	1
Cuban-American Sugar (3)	25	Oct. 13	30½	5½	..
Savage Arms	28	Oct. 13	30	2	..
Continental Motors	8	Oct. 13	6	..	2
Austin-Nichols	24	Oct. 13	25	1	..
Moon Motors (3)	25	Oct. 13	23	..	2
Pan-American B (8)	61	Oct. 13	57	..	4
Cosden & Company	30	Oct. 13	26	..	4
Texas Company (3)	40	Oct. 13	41	1	..
Amer. Sm. & Ref. pfd. (7)	96	Oct. 13	97	1	..
Amer. Steel Foundry pfd. (7)	99	Oct. 13	101	2	..
Assoc. Drygoods (5)	84	Oct. 13	75	..	9
Westinghouse Elec. & M. (4)	50	Oct. 13	57	7	..
Amer. Ice (7)	94	Oct. 13	86	..	8
Consol. Gas (5)	63	Oct. 13	61	..	2
Sept. 29—Constructive Attitude Resumed Toward Investments					
Amer. Locomotive (6)	69	Oct. 13	69	..	..
Pan-American B (8)	52	Oct. 13	57	5	..
Philadelphia Co. (4)	43	Oct. 13	43	..	..
Computing Tabulating (6)	71	Oct. 13	71	..	..

* Basis.

(Please turn to page 21)

Securities

Review of the Stock Market for 1923

By RICHARD D. WYCKOFF

IF the story of the 1923 Stock Market were to be written in the briefest possible form, one might say: There were three months of rally, seven months of decline and two months of recovery; but that would not give a very good idea of what actually occurred. In order to visualize a background we must go back to 1921-2.

The rise which began in the summer of 1921 was a genuine bull market, inasmuch as it carried the average price of fifty stocks (New York *Times* averages) from the low point of the buying zone, around 58, to a level fairly well into the selling zone, around 93. All of this occurred in a little over a year. October, 1922, was the top. The recovery was not confined to the stock market but took place in practically every line of business. Like most of its predecessors, the pendulum of that bull market swung away up, and, in the case of many stocks, more than was justified. And the public which participated in that bull market, like other bullish publics, suddenly woke up to find itself with its greatest load at the top.

The readjustment which followed was both swift and steady. Within six weeks the market lost a third of its previous advance, the averages after making 93 reacting to 80. A large amount of that liquidation was due to forced or scared selling, many people believing that the market had completely reversed itself and was going back to the 1921 level again. What really happened was this: A number of large operators had not been shrewd enough to detect the turning point at the top of the market. They therefore carried a very large line of stocks down to the low point where their losses were staggering, but they were not beaten or discouraged. As soon as that decline was checked, they immediately began nursing prices up again toward the October highs, and after an effort lasting through December, January, February and March were able to bring about a recovery and thus accomplish their realizing.

The bull market which began in the summer of 1921 may therefore be said to have reached its double and final top in March, 1923, and, if we omit the six weeks of drastic reaction above referred to, it had a life of about eighteen months.

At the opening of 1923, therefore, the market was in process of recovery to the second top, and at that level large operators who not only distributed their long stocks but a very considerable amount of short stocks, particularly in the oil issues. The market was held in the selling zone around and above the 90 level for about a month. Numerous issues were kept very strong, with the heaviest distribution, first in the oils and then in a number of other groups; this gradually had its effect and then the marking down period began.

For two months, or until May 22d, the market underwent a series of declines which carried it down to 81.25, or 11¼ points from the March top. By this time a very considerable short interest had been generated, and the pressure being temporarily light, a rally of about six points occurred—to the 87 level on June 11th. This short covering so weakened the technical position of the market that there was little or no support on the subsequent decline which amounted to over nine points and brought the average price down below 78 on July 5th. At that time several failures occurred in Wall Street—

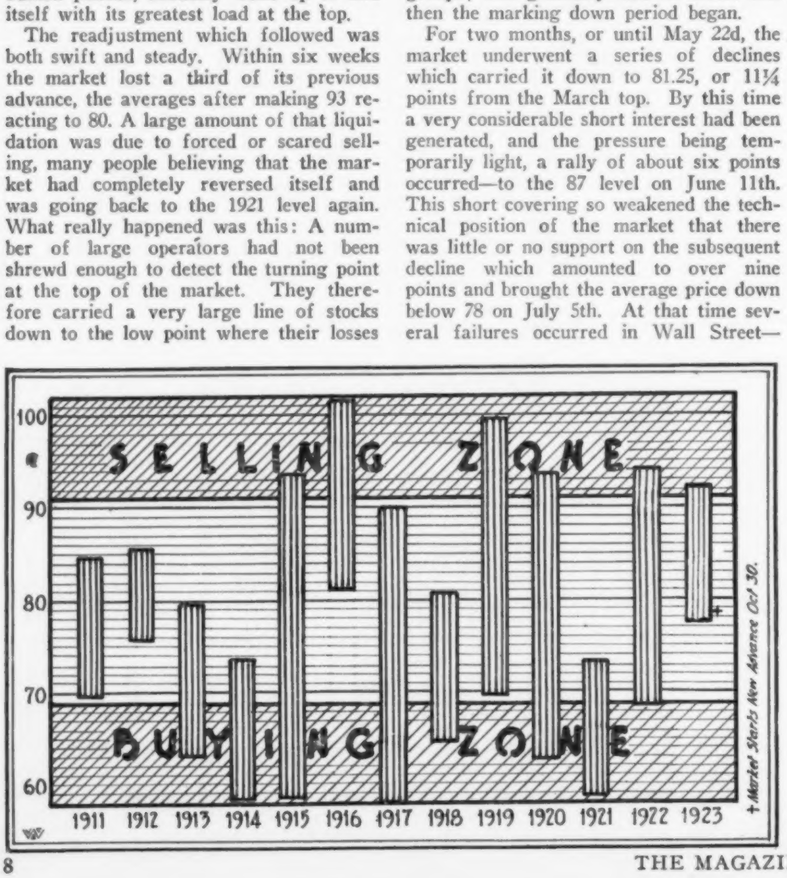
RICHARD D. WYCKOFF

not only bucket shops but New York Stock Exchange houses—and public sentiment was deeply disturbed.

July was marked by a recovery of nearly five points, to 82.50, but again the market failed to hold, and on the last day of the month made a new low of 77.27.

Then another rally running about six points to a little higher level, above 83. This rally also failed to hold, but the market did not go down so swiftly. It reached nearly to 78, rallied four points to 81, and then on October 29th made the low for the entire movement, namely, 77.15, from which point the year-end recovery began.

It will thus be seen that the market was in the lower zone, that is, between 77 and 81, for a period of about four months. Judged from the action of the market during the last two months of 1923, and more particularly the episode which marked the beginning of that recovery, we must conclude that a large amount of accumulation took place while the market was in the low levels of the summer and fall. The advance from October 29th to the high of December 8th was steady and persistent and carried the market up from the 77 to the 85 level—an eight-point recovery, the largest in a year.



Influence of Petroleum Shares

Among the principal groups of stocks none other carried such a wide influence

as the petroleum shares during 1923, and to a large extent it may be said that the decline from March to October was to a great degree dominated by the action of the oil stocks. The recognized position of certain leading magnates closely affiliated with the petroleum industry, may, perhaps, be somewhat overrated by Wall Street in general, but there is no denying the fact that powerful backing was given to those most active on the bear side of the oil shares in the year's principal decline. Leading petroleum officials were aware in the fall of 1922 that overproduction in the oil industry was a likelihood if the tremendous output of crude oil continued during the succeeding months, and it is a remarkable fact that in the face of this knowledge Standard Oil of New Jersey advanced 80 points—from 170 to 250. Many other leading oil stocks were whipped up into a frenzy of bullish activity in October, 1922.

It was undoubtedly the intention of these large operators to sustain the market at or around the October, 1922, level in order to facilitate their distribution in preparation for this overproduction of oil and the consequent anticipated decline in petroleum shares. A great number of shares were doubtless sold on the decline, and an additional amount on the high market of March, 1923. These stocks, whether long or short, were undoubtedly recovered at much lower levels last summer, and an additional line of long stocks in petroleum and other shares taken on.

There were, of course, violent fluctuations in some of the other groups. Liquidation and bear raiding in certain quarters of the market are bound to produce weakness elsewhere. Each decline of even a fraction of a point in any stock weakens its quota of marginal holdings and results in an equivalent shrinkage in those that are held outright.

The principal bear driving force was exerted in April, May and June. Thereafter whenever the market rallied it seemed to be thrust back again, the purpose being to hold it down into the lower ranges in order that cheap stocks could be acquired. Not only the market prices of oil shares was affected: the earning power and credit standing of the independent companies were greatly impaired and a number of them changed hands as to control.

Mostly a Bear Year

For the most part 1923 must therefore be regarded as a bear year. A glance at the chart showing twenty-five railroads, twenty-five industrials, and the fifty stocks combined, proves this beyond a doubt. Even the recovery to 85 in December does not offset the dominant bearish tone of the majority of the months.

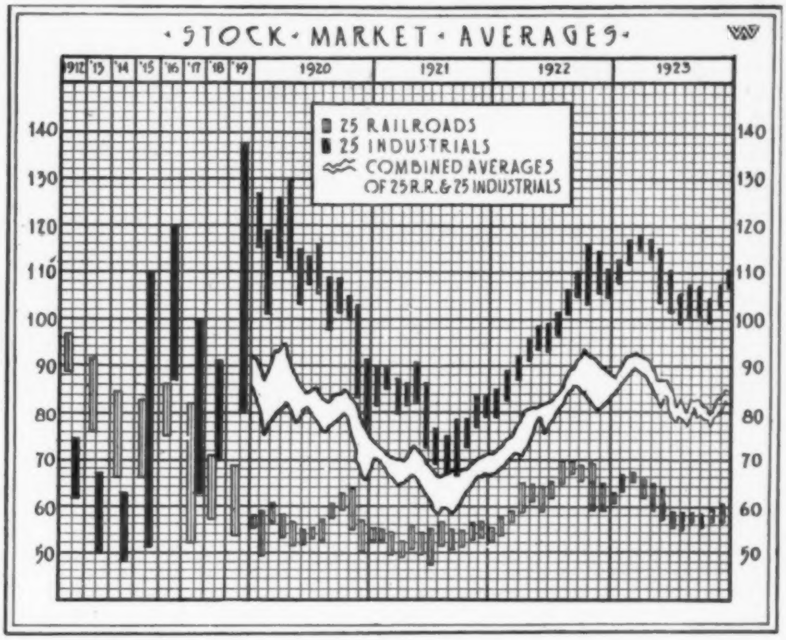
One factor which many people overlook and one which accounts for the very high yields of a number of standard stocks which may be called investment issues (although carrying a certain speculative flavor) is the overproduction of securities during 1922 and '23. Never before in the history of the New York Stock Exchange have so many stocks been listed, nor have so many companies increased their capital issues and otherwise expanded their shares to equal extent. As a result the floating supply of stocks is very much larger than the ability of the public to absorb. Were it not for this fact we should not, at present, see the number of issues whose dividends are fairly safe selling on bases running from eight to ten per cent compared with numerous former years'—five to seven per cent for stocks which are in identically the same class.

One authority estimates the number of shares absorbed by the public during the last year at $4,000,000,000 worth; but even that vast amount of money invested in the old and new listed shares has proven unequal to the task of lifting certain stocks beyond their present yield levels.

Should the market be maintained in a fairly stable position for some months and business also continue on a fairly even plane with fair profits and assurance of unreduced dividends, we would anticipate a gradual increase in the market prices of those stocks whose dividends and present selling prices make them attractive from an investment standpoint. However, this is a matter of supply and demand.

We will assume that there is a certain almost continuous demand for this class of security. There is also a constant supply of newly listed stocks or increased capital issues. If it were possible to shut off this supply for several months or a year, then in the absence of new and offsetting influences the constant investment demand would result in rising prices, so that stocks earning three times their dividends and now selling on about a ten per cent basis would sell on a nine per cent or eight per cent basis as their market prices gradually rose and adjusted themselves to the new balance of demand without supply. But if these new capital issues continue at a rate which tends to offset or even overpower the demand, then we might anticipate a continuation of the ten to thirteen per cent yields and no rise in the market prices of these stocks generated by the lack of supply.

The year 1923 was for most corporations a very good business year; that is, the majority were able to earn in excess of their dividends and to carry a fair amount to surplus account. Many paid extra dividends in cash or stock. In the minds of some, the extra dividends have been regarded as an evidence of prosperity for the year and confidence in the 1924 outlook. It is a sort of cautious confidence which prompts payments of this kind, but genuine and complete confidence is not indicated. We are inclined to think that some of these distributions have been timed to conform to the desires of a number of pools which are very active in the market and whose influence extends into the management of such corporations; this detracts somewhat from the genuineness of the extra dividends particularly in securities in which large speculative operations are being conducted. We therefore are prompted to consider these extra dividends as relating to 1923 solely.



The situation at the beginning of the year 1924 was such that the course of the market and the tendency of corporate earnings must be judged upon developments which, on January 1st, were so potent and far-reaching as to prompt most people to wait until the outcome is assured.

In relation to the outlook for securities in 1924, must be considered the extremely strong money situation. Funds available for investment were so high at the commencement of the year as to make it inevitable for a rise in demand for investments to take place. The first two months of 1924, owing to this factor and the political outlook, particularly in regard to the probabilities for tax reduction, witnessed a very sharp advance which should probably continue for some time.

Stock Market Record in 1923

(New York Stock Exchange Transactions)

STOCK	High	Low	Last	Net ch'ge from closing 1922
ADAMS EXPRESS (6)	82	67	74⅛	+ 6⅜
Advance Rumely	19½	6½	11½	— 1⅛
Advance Rumely pf (3)	54⅛	24	38½	— 7⅛
Air Reduction (4)	72⅛	56	67	+ 8½
Ajax Rubber	14⅞	4¼	6½	— 7⅛
Alaska Gold Mines	⅛	⅛	⅛	— ⅛
Alaska Juneau	1⅞	¾	1	+ ⅛
Alleg & Western (6)	*100¾	*100¾	*100¾	..
All-American Cables (6)	108	95	100	+ 1¾
Allied Chem & Dye (4)	80	59¼	71	— 8½
Allied Chem & Dye pf (7)	112	103½	111¼	+ ¾
Allis-Chalmers Mfg (4)	51¼	37¾	45⅛	+ ⅛
Allis-Chalmers Mfg pf (7)	97½	89	92½	— 4½
Amalgamated Sug 1st pf (8)	105	95	103	+29
Am Agricultural Chem	36⅞	10½	15¾	—16⅜
Am Agricultural Chem pf	68⅞	28¼	46⅞	—12
Am Bank Note (†10)	100	77	95	+18
Am Bank Note pf (3)	55¼	50½	53½	— 2
Am Beet Sugar	49½	25	42	+ 4½
Am Beet Sugar pf (6)	80	65	76	+ 2⅜
Am Bosch Magneto	60	22⅞	35¾	— 7
Am Brake Shoe & Fdy (5)	83¼	69½	77¼	+ 6¾
Am Brake Shoe & Fdy pf (7)	110	102½	107½	— ¼
Am Can (†6)	107⅝	73½	104¼	+31
Am Can pf (7)	115	106	109⅛	— ⅛
Am Car & Foundry (12)	189	148¼	163	—18½
Am Car & Foundry pf (7)	125⅞	117	120	— 3
Am Chain Class A (2)	25½	20⅜	22½	..
Am Chicle	17⅛	5¼	17	+10⅛
Am Chicle pf	65	22	50	+22
Am Cotton Oil	20¼	3¼	9	— 9
Am Cotton Oil pf	38¾	14	29¼	— 6¾
Am Cotton Oil ctfs	10¾	8⅛	10¼	..
Am Druggist Syndicate	7⅛	4⅛	5¼	— ⅛
Am Express (6)	143½	87	91	—46½
Am Foreign Power ctfs 25% paid w i	97	98	96⅛	..
Am Hide & Leather	13¼	6½	9⅛	— ¼
Am Hide & Leather pf	74¾	29¾	50¾	—14¼
Am Ice (7)	111½	78	87	—18
Am Ice pf (6)	89	77¾	78½	— 9⅛
Am International	33½	16	23⅞	— 2⅛
Am LaF Fire Engine (1)	13	10⅛	11	— ¼
Am LaF Fire Engine pf (7)	98⅝	91	91¾	— 1¼
American Linseed	38	13	18¼	—11¾
American Linseed pf	59	28½	36	—17⅛
American Locomotive (6)	76¼	64¼	74⅞	..
American Locomotive pf (7)	122	114½	115¼	— 4⅞
American Locomotive old	146⅛	120⅛	134	+ 6¼
American Malt	¾	½	½	— ½
American Metal (3)	55⅞	40¼	42⅞	— 8⅛
American Metal pf (7)	117	106	106½	— 8¼
American Radiator (4)	97	76	96⅛	+21⅞
American Radiator pf (7)	123½	120¼	123	+ 4
American Rolling Mill pf (7)	100⅛	96	98	..
American Safety Razor (50c)	9⅛	4⅞	6⅛	— ⅞
American Ship & Commerce	21⅜	10⅛	12¼	— 8
Am Smelting & Refining (5)	69½	51¼	59	+ 2⅛
Am Smelting & Refining pf (7)	102⅜	93	95¾	— 2¼
American Snuff (†14)	152¼	130	136	— 7½
American Snuff pf (6)	101	95	96	— 4⅛
American Steel Foundries (3)	40⅞	31⅛	38⅛	+ ¼
American Steel Foundries pf (7)	105¼	97⅞	101½	— 1½
American Sugar Refining	85	48	55½	—24⅛
American Sugar Refining pf (7)	108¾	92	96½	—11¼
Am Sumatra Tobacco	36⅛	16	21	— 7½
Am Sumatra Tobacco pf	65¼	32½	54	— 8½
Am Telegraph & Cable (5)	58½	40	40¼	—18¾
American Tel & Tel (9)	128¾	119⅛	125⅜	+ 2⅜
American Tobacco (12)	161¾	140¼	148⅜	— 5⅝
American Tobacco Class B (12)	159¾	140	147½	— 3¾
American Tobacco pf (6)	105⅞	100⅛	101¾	— 2¼
Am Water Works & Electric	44¾	27½	41	+13
Am W W & Elec 1st pf (7)	93	85¾	90	+ 4
Am W W & Elec Participating pf (4)	67½	48½	65½	+18
American Wholesale pf (7)	98¼	92⅛	95	+ 9
American Woolen (7)	109⅝	65	73⅜	—22⅛
American Woolen pf (7)	111⅞	96⅝	99	—11⅜
American Writing Paper pf	34	1⅛	2½	—24½
Am Writing Pap ctfs of Dep	2⅛	1	2⅛	..
American Zinc L & S	19¼	6⅛	8½	— 7½
American Zinc L & S pf	58¼	24¾	27	—31½
Anaconda Copper (3)	53½	32⅜	36	—14¾
Ann Arbor	24½	11	16	+ 1
Ann Arbor pf	45	21	32	..
Armour & Co pf Delaware (7)	94½	88¾	92¼	..
Arnold, Constable & Co	18⅞	10½	13	..
Art Metal Constr (1)	18	15	16	..
Assets Realization	1	⅛	⅛	— ¼
Associated Dry Goods (5)	89	62¼	79¾	+14¾
Associated D G 1st pf (6)	89	82	85	+ ¾
Associated D G 2d pf (7)	93½	84	89	+ 1
Associated Oil (1½)	29½	24⅞	29½	..
Associated Oil, old	134	98¼	107½	—10
Atch, Top & Sante Fé (6)	105⅛	94	97⅛	— 4⅞
Atch, Top & Santa Fé pf (5)	90⅝	85⅝	86¼	— 3⅜
Atlanta, Birm & At	8¼	1¼	1⅞	+ ½
Atlantic Coast Line (7)	127	109⅞	113⅜	— 1⅝
Atlantic Fruit	3½	½	1½	..
Atlantic Fruit ctfs	2⅞	¾	1⅛	— ¾
Atlantic Gulf & West Indies	34	9¼	15½	— 6
Atlantic Gulf & W I pf	27	6¾	13	— 2⅜
Atlantic Refining (4)	160	98¾	132	+15½
Atlantic Refining pf (7)	120	115	117	— 2½
Atlas Powder (4)	57⅜	51	54	..
Atlas Powder pf (6)	90¼	82⅞	87	..
Atlas Powder, old	177	130	165	+10
Atlas Tack	20¼	7⅜	9½	— 6
Austin-Nichols	35½	17	28½	— 5⅛
Austin-Nichols pf (7)	89½	78¾	84⅛	— 4⅜
Auto Knitter Hosiery (3)	28¼	6⅝	7⅜	..
Auto Sales	4½	2	2½	+ ½
Auto Sales pf	14½	11	11⅝	— ⅜
BALDWIN LOCOMOTIVE (7)	114¼	110½	125⅛	—13⅜
Baldwin Locomotive pf (7)	116¾	110	112	— 4½
Baltimore & Ohio (5)	60¾	40⅛	59	+16⅜
Baltimore & Ohio (4)	60⅞	55¾	58½	— ⅜
Bangor & Aroostook pf (7)	94¼	84	85	— 9
Barnet Leather	55	20½	23⅛	—18⅜
Barnet Leather pf (7)	99	82	82	—16
Barnsdall Class A	35	9⅞	16	— 7
Barnsdall Class B	22	6	10½	— 9⅛
Batopilas Mining	⅛	⅛	⅛	— ⅛
Bayuk Cigars	62¼	50	55	+ ⅜
Bayuk Cigars 1st pf (7)	100	95	98⅛	..
Bayuk Cigars 1st pf, old	124⅛	110	124⅛	+ 9¼
Beech Creek (2)	*40	*40	*40	..
Beech Nut Packing (2.40)	84¼	48⅛	54½	+19⅜
Beech Nut Packing pf (7)	104	104	104	+ 3
Bethlehem Steel (5)	71⅞	41¾	53½	— 8⅜
Bethlehem Steel pf (7)	97½	87	90¾	— 6
Bethlehem Steel pf (8)	111¼	100¼	105	— 4½
Bethlehem Steel 7% old	96½	93	95	— 1¼
Blumenthal (S) & Co pf (7)	98	89	91½	..
Booth Fisheries	7½	3¾	5¾	+ ⅜
Booth Fisheries 1st pf	38	25	38	+ 8
British Empire Steel	9⅞	3	3¾	— 5¾
British Empire Steel 1st pf (7)	69½	52¼	52¼	—17¾
British Empire Steel 2d pf	26½	12½	15	— 9¾
Brooklyn Edison Electric (8)	121½	104¼	111⅞	— 1⅜
Brooklyn-Manhattan Transit	18⅛	9¼	14¼	..
Brooklyn-Manhattan Transit pf	49⅞	31⅛	49	..
Brooklyn Rapid Tr, old	16¼	⅝	⅜	—15⅞
Brooklyn Rapid Tr cfs of dep	13	⅛	⅛	—12⅞
Brooklyn Union Gas (8)	128	103½	120¾	+ 9¾
Brown Shoe (4)	65⅞	41⅜	52	— 8⅜
Brown Shoe pf (7)	99	85	91	— 7½
Brunswick Term & Ry Sec	2⅝	¾	1	— ¾
Buffalo, Roch & Pitts (4)	65	50	50	—10½
Buffalo, Roch & Pitts pf (6)	*90	*85	*85	..
Buffalo & Susquehanna (†12)	125	120	125	+10
Buffalo & Susquehanna pf (4)	52	50	50	+ 4
Burns Brothers (10)	144¾	100	103	—41½
Burns Brothers pf (7)	109⅜	94	95	—10½
Burns Brothers Class B (2)	43	21½	24⅜	—18⅜
Burns Bro Class B pr pf (7)	120	118½	120	+ 6
Bush Terminal (5)	70	67	70	..
Bush Term Buildings pf (7)	96½	89¼	89½	— 7½
Butte Copper & Zinc (50c)	11¼	4¼	5	— 5
Butte & Superior	37⅞	12⅞	15⅜	—16½
Butterick Co	22	13¼	18⅛	+ ⅜
CADDO CENT O & R	9⅛	1¼	2	— 8⅜
California Packing (6)	87	77	82	— 1
California Petroleum (1¾)	29⅜	17⅛	26⅝	..
California Petroleum (7)	110½	90½	100	+ 5
California Petroleum old	117⅜	66¼	108¾	+40⅜
Callahan Zinc Lead	12⅝	3¼	4⅝	— 8⅜
Calumet & Arizona (2)	66	42	43	—14¾
Calumet & Hecla (50c)	20½	17⅛	18⅛	..
Calumet & Hecla old	44	40	40⅞	..
Canada Southern (3)	53⅛	50½	53⅛	+ 1⅛
Canadian Pacific (10)	160	139¼	146⅜	+ 2
Carson Hill Gold	9⅛	1½	1½	— 5¾
Case (J I) Plow	4¾	¾	⅜	— 2⅜
Case (J I) Plow 2d pf	½	½	½	..
Case (J I) Thresh Machine	42	17	22	— 7⅜
Case (J I) Thresh Machine pf (7)	85	65	70	— 8
Central Leather Co	40½	9⅝	13	—19⅝
Central Leather Co pf	79¾	28⅛	38⅛	—30⅜
Cent R R of N J (†12)	231	175	205	—24
Century Ribbon Mills	36⅞	28	29¾	..
Century Ribbon Mills pf (7)	98½	91½	93	..
Cerro de Pasco Copper (4)	50½	36½	45⅝	+ ⅜
Certain-Teed Products	45	23	30	—14
Certain-Teed Prod 1st pf (7)	88	73¼	73¼	—20
Chandler Motor (6)	76	43	66½	+ 8
Chesapeake & Ohio (4)	76⅜	57	71¼	+ 4¼
Chesapeake & Ohio pf (6½)	104⅞	96	99½	— 3
Chicago & Alton	4⅛	2	3⅛	+ 1⅛
Chicago & Alton pf	12⅛	3⅛	10	+ 6¾
Chicago & Alton ctfs	2¼	2¼	2¼	..
Chicago & Alton pf ctfs	*9	*9	*9	..
Chicago & Eastern Illinois	38¾	19	24¾	— 4
Chicago & Eastern Illinois pf	62¼	46½	48	—10½
Chicago Great Western	7	2¼	4	— ⅜
Chicago Great Western pf	17	6⅞	10⅜	+ 1⅜
Chicago, Milwaukee & St P	26⅜	11¼	14	— 9½
Chi, Milwaukee & St P pf	45½	20⅝	24	—10½
Chicago & Northwestern (4)	88	47⅛	50½	—29½
Chicago & Northwestern pf (7)	116	97⅛	100	—17
Chicago Pneumatic Tool (5)	90¾	75½	84½	+ ⅜
Chicago, Rock Island & Pac	37⅞	19⅛	23⅛	— 9⅛
Chi, Rock Isl & Pac pf (7)	95	72	77	—14½
Chi, Rock Isl & Pac pf (6)	85	60⅞	65⅝	—17⅜
Chi, St P, Minn & Om	78	29	31½	—40½
Chi, St P, Minn & Om pf (7)	102¾	71½	75	—24½
Chile Copper (2½)	30⅜	24⅛	27⅜	— ½
Chino Copper	31⅞	14¾	17⅝	— 8⅜
Cleve, Cin, Chi & St L (4)	115	75½	114	+38
Cleve, Cin, Chi & St L pf (5)	99½	95	99½	— ⅝
Cleveland & Pittsburgh (3½)	70	66	66	..
Cleveland & Pitts Special (2)	*38	*38	*38	..

STOCK	High	Low	Last	Net ch'ge from closing 1922
Cluett, Peabody (5)	76¾	60	73	+ 3
Cluett, Peabody pf (7)	110	99¼	105¼	+ 2¼
Coca-Cola (7)	82⅜	65¼	77⅞	— 1⅛
Coca-Cola pf (7)	99	92⅛	96½	+ 3
Colorado Fuel & Iron	35⅜	20	25¼	— 1½
Colorado Fuel & Iron pf (8)	102	102	102	— 3
Colorado Southern	45½	17	20	—21½
Colorado Southern 1st pf (4)	60	47	49	—10
Colorado Southern 2d pf (4)	55	35	45	—11
Columbia Gas & Elec (2.60)	37¾	30¼	35⅛	..
Columbia Gas & Elec old	114	91⅛	96⅛	—11
Columbia Graphophone	2⅞	⅛	⅛	— 1⅞
Columbia Graphophone pf	12½	⅛	⅛	— 7½
Columbia Carbon (4)	51⅛	41	49	..
Commercial Solvents A (4)	46	25	40½	— 3
Commercial Solvents B	40	15	36¼	+ 6¼
Computing-Tab Recording (6)	97⅞	67	95¾	+20¼
Congoleum Co	164½	44½	44¾	..
Conley Tin Foil	22¼	9⅛	10⅛	— 8⅛
Consolidated Coal (6)	97½	90	90	..
Consolidated Distributors	⅜	⅛	⅛	— ¼
Consolidated Cigar	39⅛	14⅝	20	—18½
Consolidated Cigar pf (7)	83	60	70	—18
Consolidated Gas (5)	69⅝	56¼	61⅜	..
Consolidated Gas old	137	120	136	+15
Consolidated Textile	14½	6	6¼	— 5
Continental Can (4)	57⅜	42⅛	56½	..
Continental Can pf (7)	110¼	102¼	104½	— 2½
Continental Can old	131¾	115	130	+15
Continental Insurance (6)	103½	90	93	— ¼
Continental Motors	12¼	5	7	— 3¼
Corn Products Refining (†9)	160½	114⅜	158	+25⅜
Corn Products Refining pf (7)	122⅜	115½	119¾	— ¼
Cosden Co.	62¼	22¼	35⅝	—18⅜
Cosden Co pf (7)	109⅛	83¼	92½	— 8
Crex Carpet	30½	20	20⅛	— 8⅝
Crucible Steel (4)	84½	57½	66¼	— 4
Crucible Steel pf (7)	94½	85¾	90	— ½
Cuba Cane Sugar	20	8½	14⅞	+ 1
Cuba Cane Sugar pf	65½	33½	62½	+22⅛
Cuba Company pf (6)	69	69	69	..
Cuban-American Sugar (3)	37⅛	23	23¾	— 7⅛
Cuban-American Sugar pf (7)	102½	92	97½	— 4⅛
Cuban Dominican Sugar	12¼	3	6¼	..
Cuban Dominican Sugar pf	58½	30	48	..
Cuyamel Fruit (4)	72½	54½	70	..
DAVISON CHEMICAL	81¼	20⅛	66¼	+34¼
De Beers Mines	28	18¾	19	— 5¼
Deere & Co pf (3)	73½	60¼	60½	—11
Delaware & Hudson (9)	124½	93¼	108¼	— 6¾
Del, Lack & Western (6)	130½	109⅞	112	—15
Detroit Edison Co (8)	111	100¼	105	— 2
Detroit & Mackinac	20	20	20	—30
Detroit & Mackinac pf (5)	35	35	35	..
Detroit United Ry (6)	76½	65	65	— 5¼
Devoe & Raynolds 1st pf (7)	98	90	94	..
Dome Mines (2)	22	15⅜	19½	— 1¾
Douglas-Pectin (1)	14¼	11	11½	..
Duluth, So Shore & Atlantic	3⅛	2	2	— ⅛
Duluth, So Shore & Atlantic pf	5⅞	3	3⅛	— 1¾
Dupont de Nemours (8)	148½	106	131⅜	+20
Dupont de Nemours deb (6)	89¼	82	86	+ 1½
Duquesne Light 1st pf (7)	103¾	101	103	..
Durham Hosiery	18	9	7¼	—11¼
Durham Hosiery pf (7)	80	55	56	—22
EASTMAN KODAK (†8¾)	115¾	89¼	109	+20
Eastern Kodak pf (6)	114¼	108½	109½	+ 1½
Eaton Axle & Spring (2.60)	27	20	23⅛	..
Electric Stor Battery (†5¾)	67⅛	52	60½	+ 3
Elk Horn Coal	20¼	12¼	12¼	— 7
Elk Horn Coal pf	36	20	20	—18½
Emerson Brantingham	7½	⅜	⅞	— 6
Emerson Brantingham pf	30½	6½	8½	—17½
Endicott-Johnson (5)	94¼	58⅞	65½	—13¼
Endicott-Johnson pf (7)	118	109	116¼	— 1¼
Erie	22¼	10⅛	21½	+10½
Erie 1st pf	31¼	15	29⅞	+14¼
Erie 2d pf	27⅛	10¾	25	+13⅛
Erie & Pitts (3½)	*56	*56	*56	..
Exchange Buffet (2)	31	19⅞	21½	— 5½
FAIRBANKS CO	13	3	3¼	— 8¼
Famous Players Lasky (8)	93	52	71	—20⅛
Famous Players Lasky pf (8)	99¾	82	86⅞	— 8⅛
Federal Mining & Smelting	13	5	9¼	+ ⅛
Federal Min & Sm pf (7)	60½	34¼	41	— 5½
Fidelity-Phenix Fire Ins (6)	138	102	118	+12
Fifth Avenue Bus (64c)	10⅜	7¼	9¾	— ⅜
Fisher Body (10)	212¼	140	164	—45¼
Fisher Body Ohio pf (8)	102⅛	94	98	+ ¼
Fisher Body pf old	120	116	120	+ 9
Fisk Rubber	16½	5⅞	8½	— 4¼
Fleischmann Co (†3¼)	47⅞	37⅛	44½	..
Foundation Co (6)	78⅜	58½	67¼	..
Freeport-Texas	22	9½	12⅜	— 8⅛
GARDNER MOTOR	14¾	5	5½	..
General Am Tank Car (3)	71⅞	38½	45⅜	—21¼
General Am Tank Car pf (7)	103½	91	93	— 8½
General Asphalt	54	23	40¼	— 8
General Asphalt pf (5)	83	60	71¼	— 8¼
General Baking (6)	103⅛	72	93½	+27½
General Baking pf (8)	112⅛	108	110½	+ 1½
General Cigar (6)	97½	80⅛	96⅝	+14⅝
General Cigar pf (7)	110	103	103	— 1½
General Cigar deb pf (7)	109½	104¼	106	+ 2½
General Electric (8)	202¼	167⅝	196½	+14
General Electric Special (60c)	12	10¼	10¾	— 1
General Motors (1.20)	17½	12¾	15	+ ¼
General Motors pf (6)	89	79	81⅛	— 3⅜
General Motors deb (7)	105	93¾	99	+ 2¼
General Motors deb (6)	90	78¾	81¼	— 2⅜
General Refractories (4)	55⅞	52	52½	..
Gilliland Oil pf	50¼	40	40	— 5
Gimbel Brothers	52½	39½	49⅛	+ 8¼
Gimbel Brothers pf (7)	102¼	96⅞	99¼	+ 2⅞
Glidden Co	12⅛	6	8½	— 1⅝
Goldwyn Pictures	22⅛	8	8⅝	..
Goldwyn Pictures old	7⅞	3½	3⅝	— 1¼
Goodrich (B F) Co	41⅛	17⅜	22	—13⅞
Goodrich pf (7)	92½	67⅝	72½	—11½
Goodyear Tire & Rubber pf	62½	35	39¼	..
Goodyear T & R prior pf (8)	99	88	88⅛	..
Granby Consol	33	12	14¼	— 9⅞
Gray & Davis	15⅝	6¼	7⅝	— 4⅜
Great Northern pf (5)	80	50⅜	54½	—20¼
Gt Nor Certs Ore Prop (4)	36	25	28⅞	— 1⅞
Great Western Sugar pf (7)	108¼	102¾	106	..
Greene Cananea Copper	34⅛	13⅝	14¼	—12⅞
Guantanamo Sugar	14½	5	7	— 2¾
Guantanamo Sugar pf (8)	101	85	85	—10
Gulf, Mobile & Northern	20	9½	14	+ 2
Gulf, Mobile & Northern pf (1)	62¼	44½	50½	+ 6½
Gulf States Steel (4)	104⅝	65¼	83½	+ 3
Gulf States Steel pf (7)	105¾	98⅛	100¼	— ¼
HABIRSHAW ELEC CABLE	2	¼	¼	— ⅜
Hanna (M. A.) 1st pf (7)	97	88	89½	..
Hartman Corp (4)	42¾	39¾	41¼	..
Hartman Corp old	95¼	79¾	82	— 1½
Hayes Wheel (3)	44	31	40¼	..
Helme (G. W.) (†4¾)	58	49¾	58	..
Helme (G. W.) pf	112¼	112¼	112¼	..
Hendee Mfg (now Indian Motorcycle)	23¾	12	19	..
Homestake Mining (6)	79⅞	54	55	—25
Household Products (3)	39⅜	28⅝	34⅜	..
Houston Oil	78	40¾	70⅝	+ ⅛
Hudson Motor Car (3)	32¼	20	27½	+ ⅛
Hupp Motor Car (1)	29½	15⅛	17¼	— 7⅜
Hydraulic Steel	5¼	½	½	— 4½
Hydraulic Steel pf	34	2	3⅛	—32⅞
ILLINOIS CENTRAL (7)	117½	99⅝	101¾	—11¼
Illinois Central pf (6)	118½	105½	106½	— 8¼
Illinois Cent pf full paid (6)	105¼	102	103¾	..
Illinois Cent leased lines (4)	74	70	72	— 2½
Independent Oil & Gas	11¼	3⅛	6¾	..
Indiahoma Refining	19	1	1¾	—10⅛
Indian Motorcycle	19	18	19½	..
Indian Refining	8½	3½	5½	— ⅛
Indian Refining pf	49½	49½	49½	..
Ingersoll Rand (†28)	*185	*119	*158	..
Ingersoll Rand pf (6)	*105	*102	*102	..
Inland Steel (2½)	46⅝	31⅛	36⅜	..
Inland Steel pf (7)	105	96½	99	..
Inspiration Copper (2)	43¼	23¼	25⅛	—10⅜
Interboro Consolidated	⅜	⅛	⅛	— ⅛
Interboro Consolidated pf	⅞	¼	⅜	— ¼
Interboro Rapid Transit	22⅞	9½	11¾	— 7½
International Agricultural	11	½	¼	— 5¼
International Agricultural new	4⅞	4	4½	..
International Agricultural pf	39⅞	4⅛	6⅛	—24⅞
International Cement (4)	44	31	42⅞	+ 8⅛
International Comb Eng (2)	27⅛	19⅜	24⅛	+ 1
International & Gt Northern	25	15	23	— ¼
International Harvester (5)	98½	66¾	77½	— 9½
International Harvester pf (7)	116¼	106	106½	— 9½
International Mer Marine	11⅝	4⅞	6⅛	— 2¼
International Mer Marine pf	47	18½	30¾	—22⅞
International Nickel	16¼	10⅜	13¾	— ⅜
International Nickel pf (6)	83	69¼	79	+10⅜
International Paper	58⅝	27⅞	38¾	—13⅜
Intl Paper pf stamped (6)	75⅛	60	63½	—11½
Intl Rys of Cen Am pf (5)	40	40	40	..
International Salt (†7)	92	77	80	+ 5
International Shoe (4)	79¼	64¼	79¾	..
International Shoe pf (8)	120½	114½	115	..
Intl Telephone & Tel (6)	71½	64	68¼	..
Intertype Corporation (†1¼)	41½	24⅝	29½	..
Invincible Oil	19¼	7⅛	16⅞	+ 2⅛
Invincible Oil vot trust ctfs	16⅜	9¼	16⅜	..
Iowa Central	6⅛	1¼	2	— 2¼
Iron Products (1½)	58¼	32½	50½	+ 4⅜
Iron Products ctfs	51	31¾	49½	..
Iron Products pf (8)	110¼	92	105¼	+ 5¼
Island Oil & Trans	⅝	.03	.04	—.08½
JEWEL TEA	24	15⅜	21¾	+ ⅞
Jewel Tea pf	88½	62	88	+14
Jones Bros Tea	63⅜	20⅜	24⅜	—28⅜
Jones & Laughlin pf (7)	110½	107	107⅜	— ⅜
KAN CITY P & L 1st pf (7)	97½	91	93	..
Kansas City Southern	24⅞	15⅝	18½	— ⅜
Kansas City Southern pf (4)	57¾	48⅜	53	— ⅜
Kansas & Gulf	3½	¼	½	— 1⅛
Kayser (Julius) & Co	45⅞	28	35⅜	— 7⅛
Kayser (J) & Co 1st pf (8)	104	95	96	— 6
Kelly Springfield Tire	62⅛	20½	32⅛	—16⅞
Kelly Springfield Tire pf (8)	108	78	85¼	—17¼
Kelly Springfield Tire pf (6)	92½	70	75½	— 7½
Kelsey Wheel (6)	117¼	75	99⅛	— 9⅞
Kelsey Wheel pf (7)	104½	98	104	+ 2½
Kennecott Copper (3)	45	29⅜	34¾	— 2⅛
Keokuk & Des Moines	3½	1¼	2	— 3
Keokuk & Des Moines pf	25	17½	17¾	— 7¾
Keystone Tire & Rubber	11⅛	1⅝	3⅛	— 6
Kinney (G R) Co	64⅜	35½	60⅜	..
Kinney (G R) pf (8)	100	92	96	..
Kresge (S S) Co (8)	300	177	293	+156⅜
Kresge (S S) Co pf (7)	112¼	109¾	111⅜	+ ⅝
Kress (S H) Co (4)	160	150¼	160	+55
Kress (S H) Co pf (7)	118	117¾	118	+ 3
LACLEDE GAS (7)	87	75	77⅛	+ ⅜
Laclede Gas pf (5)	*78	*78	*78	..
Lake Erie & Western	34	31¾	32	— 2½
Lake Erie & Western pf	73	66	73	— 2
Lake Erie & Western ctfs	32⅞	28⅞	32	..
Lake Erie & Western ctfs pf	75	65	75	..

STOCK	High	Low	Last	Net ch'ge from closing 1922
Lee Rubber & Tire	31¼	11⅛	14	—15¼
Lehigh Valley (3½)	71⅜	54	60¾	— 9
Liggett & Myers (12)	240	190¾	237½	+18½
Liggett & Myers Class B (12)	226	190¼	225¾	+10½
Liggett & Myers pf (7)	118¼	111¾	117⅞	+ ⅛
Lima Locomotive (4)	74⅞	58¼	66⅞	+ 7⅞
Lima Locomotive pf (7)	133½	*113	113½	+10
Loew's Incorporated (2)	21¼	14	17½	— 1½
Loft, Incorporated	11¼	6	7¼	— 4¼
Loose-Wiles Biscuit	66¼	36¼	58½	+ 8
Loose-Wiles Biscuit 1st pf (7)	107½	105¼	106	+ ½
Loose-Wiles Biscuit 2d pf (7)	117¼	103½	103½	—12½
Lorillard (P) Co (12)	182¾	146	169½	+ 7½
Lorillard (P) Co pf (7)	119	112	117	— 2½
Louisville & Nashville (5)	155	84¾	90	+ 7¼
McCRORY STORES pf (7)	102	95½	102	..
McIntyre Porcupine Mines (1)	20½	15	17½	— ½
Mack Trucks (6)	94	58½	90¼	+32⅜
Mack Trucks 1st pf (7)	99¼	87	96	+ 4
Mack Trucks 2d pf (7)	92	72	90	+ 7
Mackay Cos (7)	121	105	108	+ 2½
Mackay Cos pf (4)	70½	64¼	64¼	— 1⅞
Macy (R H) & Co	71½	57	67	+ 5½
Macy (R H) & Co pf (7)	115½	110¼	113½	+ 1½
Magma Copper	38¼	27¼	31¼	— ¼
Mallinson & Co.	40	21	27½	— 9½
Mallinson & Co pf (7)	90¼	82	88	— 4
Manati Sugar (5)	75¼	43	62	+16½
Manati Sugar pf (7)	90	72	80½	— 2⅜
Manhattan Beach	1¼	1¼	1¼	+ ¾
Manhattan Electric Supply (4)	66	35	37¼	—12¾
Manhattan Elevated	60	37½	39	— 8⅝
Manhattan Elev modified gtd	45½	27½	30½	..
Manhattan Elevated ctfs	44	35⅛	41¼	— 6⅛
Manhattan Shirt (3)	47⅞	40	42¾	+ 2⅝
Manila Electric Corporation (8)	94	87	88	..
Maracaibo Oil Exploration	28⅜	16	26⅞	..
Market St Ry	22	7½	10½	+ 1½
Market St Ry pf	68½	23	36	— 6
Market St Ry prior pf (6)	87	56½	68¾	— 2
Market St Ry 2d pf	56¼	14⅝	29⅝	+ 3⅝
Marland Oil	59⅝	17½	38⅛	+ 8¾
Marlin-Rockwell	16	3¼	8	— 2
Martin-Parry (3)	37¾	26	35¼	+ 6¾
Mathieson Alkali	64½	31¼	39	— 9
Maxwell Motors Class A	63¼	36	49¾	— ⅞
Maxwell Motors Class B	21	10¼	13⅝	— 1⅞
May Department Stores (5)	98	67½	90¾	+20¾
May Department Stores pf (7)	119	114¼	115	— 2¾
Metropolitan Edison pf (7)	99½	87	93¼	..
Mexican Petroleum (16)	293	182	182	—109
Mexican Petroleum pf (8)	105¼	100¼	100½	— 7½
Mexican Seaboard	23¾	5¾	15⅛	— 2⅛
Mexican Seaboard ctfs	23¼	6	14½	— 2¼
Miami Copper (2)	30½	20½	22	— 5¼
Michigan Central (20)	*350	*350	*350	..
Middle States Oil	12¼	3½	6½	— 5⅜
Midvale Steel	33⅜	21½	29⅛	+ ¾
Minneapolis & St Louis	9½	⅞	1⅜	— 4⅝
Minneapolis, St P & S S M (4)	73½	39	44	—16⅜
Minneapolis, St P & S S M pf (4)	100½	60	68	—17
Minn, St P & S S M lsd ln (4)	63⅝	58	59	— 6
Missouri, Kansas & Texas	17	9¾	11½	— 3⅛
Missouri, Kansas & Texas pf	45½	24⅞	30⅝	— 7⅞
Missouri, Kansas & Texas, old	12	8¼	8¼	— 2¾
Missouri, Kansas & Texas, pf, old	12	9¼	9¼	— 5¼
Missouri Pacific	19⅜	8¼	9¾	— 6½
Missouri Pacific pf	49	22¼	29¼	—24⅝
Monongahela Power & Ry pf	18	18	18	..
Montana Power (4)	75	54½	62	— 6
Montana Power pf (7)	112	103	104	— 6¾
Montgomery-Ward	26¼	18¼	24¾	+ 2⅝
Moon Motors (†3½)	29⅜	17¾	25⅛	+ 6¼
Morris & Essex (3½)	77	*73½	76	— 3
Mother Lode Coalition (1)	14	7⅛	8⅛	— 3⅛
Mullins Body	29⅞	10⅛	12⅛	—12⅞
Mullins Body pf (8)	91	88⅛	88⅛	— 1⅞
Munsingwear (3)	36½	21½	35½	..
NASH MOTORS (6)	114½	7⅝	99⅜	+29⅜
Nash Motors pf A (7)	101¾	96¼	97	..
Nash, Chat & St Louis (7)	125	115	115	—10
National Acme	18⅛	7	7⅞	— 3¼
National Biscuit (3)	52⅞	38	51¼	—12¾
National Biscuit pf (7)	125	118½	123⅜	+ 1⅝
National Cloak & Suit	67¼	40	62	— 2
National Cloak & Suit pf (7)	104	89⅝	96½	— 5½
National Conduit & Cable	1½	¼	½	— ½
National Department Stores	42½	34¾	40½	..
Nat Dept Stores 1st pf (7)	97¾	90⅞	94½	..
Nat Enam & Stamping (4)	73	35	40	—26¾
Nat Enam & Stamping pf (7)	102	88	89	— 9
National Lead (8)	148	108	142	+14
National Lead pf (7)	114½	107½	111	— 1¼
Nat Rys of Mexico 1st pf	9⅝	4¼	5	— 2
Nat Rys of Mexico 2d pf	4¾	1¼	1½	— 1⅜
National Supply (3)	68½	54	68	..
National Supply pf (7)	104	101½	101½	..
National Surety (9)	164½	161	161	..
Nevada Consol Copper	18⅜	9⅛	11⅝	— 3⅞
New Orleans, Tex & Mex (7)	105	82½	97¾	+12¾
Newport News & Hampton Ry G & El (5)	59½	47	50⅛	..
Newport News & Hampton Ry G&E pf (7)	92	72¼	91⅞	+ 1⅞
New York Air Brake (4)	42⅞	26⅝	40⅞	+13½
New York Air Brake Cl A (4)	51½	45¼	47	— ½
New York Canners (2)	32½	24½	25	..
New York Canners 1st pf (7)	94½	86	88	..
New York Central (7)	107¼	90½	104⅝	+10⅛
N Y, Chi & St Louis (6)	80½	67½	77¾	..
N Y, Chi & St Louis pf (6)	95½	86	86	..
N Y, Chi & St Louis (old)	84	78	78	— 2½
N Y, Chi & St Louis 1st pf	97	88½	95	— 3
N Y, Chi & St Louis 2d pf	90½	76½	87	+ 1
N Y, Chi & St Louis (ctf)	78½	68	70	..
N Y, Chi & St Louis 1st pf	95	92	92	..

STOCK	High	Low	Last	Net ch'ge from closing 1922
N Y, Chi & St Louis 2d pf	95	82	91	..
New York Dock	27	15¼	19½	— 2⅛
New York Dock pf (5)	51½	37¾	42	— 4
New York & Harlem (5)	162	*136	*138½	..
New York, Lack & West (5)	100⅛	*96	*96¼	..
New York, New Haven & H	22½	9⅝	14⅛	— 7⅛
New York, Ontario & West	21⅝	14¼	17⅝	— 2⅝
New York Shipbuilding (1)	15½	8½	10	— 2
New York Steam 1st pf (7)	92	91	91	..
Niagara Falls Pow Co pf (7)	110	106¼	107¼	— 2½
Norfolk Southern	18⅜	9	12⅛	— 1⅛
Norfolk & Western (†8)	117⅝	100	103¼	— 8¾
Norfolk & Western pf (4)	78½	72	75	— 1½
North American (2)	24¼	17½	22¼	— 4⅞
North American pf (3)	48½	42½	43⅞	— 1¼
North American (old)	119½	100½	115	+10
Northern Central (4)	74	74	74	+ 1½
Northern Pacific (5)	81½	49¾	52⅝	—22¼
Nova Scotia Steel & Coal	29⅞	13⅝	13⅝	—12⅝
Nunnally Co (1)	10⅛	7⅞	7⅞	— 1⅛
OHIO BODY & BLOWER	10⅛	1¾	2¼	— 3⅞
Ohio Fuel Supply (2½)	67	31	33	—29
Ontario Mining	9¼	3	6⅞	+ 1⅜
Oklahoma Prod & Ref	3⅛	⅞	1⅝	— ⅜
Onyx Hosiery	50	25⅛	26¼	+ ⅜
Onyx Hosiery pf (7)	98	86	86	..
Orpheum Circuit	21⅝	16¼	20	+ 1
Orpheum Circuit pf (8)	96	84½	91	+ 1
Otis Elevator (8)	153	114½	141½	+10½
Otis Elevator pf (6)	104⅝	98½	99¼	— 2¼
Otis Steel	14¾	7	9⅜	+ 1⅛
Otis Steel pf	72¼	45	57	+15
Owens Bottle (3)	52¾	36⅝	44	+ 7¾
Owens Bottle pf (7)	110	108	108	— 2¼
PACIFIC COAST	21	4⅛	17	..
Pacific Coast 1st pf	40	25	40	..
Pacific Coast 2d pf	24	15	16	..
Pacific Development	2¼	⅛	⅛	— ⅛
Pacific Gas & Electric (8)	94⅞	73	92	+ 8
Pacific Mail	12¾	7	10¼	— 3⅜
Pacific Oil (2)	52⅛	31¼	51	+ 5
Pacific Telephone & Tel	95	67	90	+ 30
Pacific Tel & Tel pf (6)	94⅛	91½	93	+ ⅛
Packard Motor Car (1.20)	15½	9⅞	12½	+ 1⅜
Packard Motor Car pf (7)	99	90⅛	92⅛	— 1¼
Pan Am Petroleum Trans (6)	98½	53	61½	—14⅜
Pan Am Pet & T, Class B (6)	86	50½	59⅝	—10
Panhandle Prod & Ref	6¼	1¼	2½	— 1
Panhandle Prod & Ref pf	68	27½	40	—22½
Parish & Bingham	15½	9	13	— 1½
Penney (J. C.) pf (7)	105¼	101½	103½	+ 2
Pennsylvania Coal & Coke (4)	43⅜	27	28	..
Pennsylvania Edison pf (8)	102	95	100¼	— 4¼
Pennsylvania Railroad (3)	47⅜	40⅞	42	— 4¾
Pennsylvania Seaboard Steel	6	1½	3¼	+ ⅜
People's Gas, Chicago (7)	98½	86	98½	+ 5½
Peoria & Eastern	17	8	10	— 5¼
Pere Marquette (4)	47¼	36	41½	+ 4¾
Pere Marquette prior pf (5)	76¾	67½	71	— 5
Pere Marquette pf (5)	70½	57½	59	—10
Pettibone, Mulliken & Co.	30	30	30	..
Philadelphia Co (4)	50¼	41	42½	+ 1½
Philadelphia Co pf (3)	45¾	41½	43	+ ⅞
Philip Morris & Co (50c)	24⅝	11½	22⅝	..
Phillips-Jones	80	55	56⅛	—23⅝
Phillips-Jones pf (7)	96	85⅛	85⅛	—11⅛
Phillips Petroleum (2)	69⅝	19¾	35¾	—11¼
Phoenix Hosiery	46¾	27	29½	..
Phoenix Hosiery pf (7)	100	89	93½	..
Pierce-Arrow	15¼	6¼	8⅞	— 5
Pierce-Arrow pf	35⅜	13½	26¾	— 4¼
Pierce-Arrow prior pf (8)	77½	60	63½	..
Pierce Oil	6	1⅜	2¼	— 1¾
Pierce Oil pf	44½	16	23	—16
Piggly-Wiggly	124	55¼	82	+25⅜
Pittsburgh Coal (4)	67⅞	58	63	+ 3
Pittsburgh Coal pf (6)	100	96	98¼	— 1⅜
Pittsburgh, Ft W & Chi (7)	*129	*128	*128	..
Pittsburgh, Ft W & C pf (7)	*141¼	*128	137¾	— 1¼
Pittsburgh Steel pf (7)	98	90¼	95	+ 3½
Pittsburgh Utilities pf (†95c)	11½	10	10½	..
Pittsburgh & West Virginia	50⅜	33⅞	38½	+ 3½
Pittsburgh & West Virginia pf (6)	93	85	85	— 4
Pond Creek Coal	44¼	9¼	10	—29½
Porto Rican American Tob	96	60	65	— 1
Postum Cereal (3)	134	47	50⅜	— ⅞
Postum Cereal pf (8)	114¼	108½	111	+ 1
Pressed Steel Car (4)	81½	42½	52½	—29
Pressed Steel Car pf (7)	99¾	80	82½	—17¼
Producers & Refiners	58⅛	17	41⅜	— 8⅝
Producers & Refiners pf (3½	49⅛	36	47⅞	+ ⅞
Producers & Refiners ctfs	26½	17¼	26½	..
Public Service N J (4)	51½	41½	32⅜	..
Public Service N J pf (8)	108⅜	98	101	— 5
Public Service N J pf (7)	100	90	99½	..
Public Service N J old	104	91	97	+ 6
Pullman Company (8)	133⅞	110½	122½	— 7½
Punta Alegre Sugar (1¼)	69¼	41⅞	57¾	+ 9⅜
Pure Oil (1½)	32	16¼	24⅞	— 4¼
Pure Oil pf (8)	100	82½	93	— 6⅞
RAILROAD SEC, ILL CEN stock ctfs (4)	70	*62¾	*65	— 5¼
Railway Steel Spring (8)	123	99½	107½	— 8½
Railway Steel Spring pf (7)	121½	110¼	113	— 3⅜
Rand Mines (2.35)	34⅜	29¼	31⅜	— 2
Ray Consol Copper	17¼	9⅞	11⅛	— 3⅜
Reading (4)	81⅛	68½	77¼	— 1⅞
Reading 1st pf (2)	56½	44	53½	— ¼
Reading 2d pf (2)	56¾	45	53	— ⅞
Remington Typewriter	48⅛	24	32¼	— 1¾
Remington Typewriter 1st pf (7)	104	89	91	—14
Remington Typewriter Ser S (7)	*90	*89¼	*89¼	..
Remington Typewriter 2d pf (2)	99	80	95	— 2½

STOCK	High	Low	Last	Net ch'ge from closing 1922
Rensselaer & Saratoga (8)	*112	*108	*112	..
Replogle Steel	31¼	8	11⅞	—12⅛
Republic Iron & Steel	66¾	40⅛	50¾	+ 2⅛
Republic Iron & Steel pf (7)	96⅞	84¼	88¾	— 1¼
Reynolds Spring (2)	29⅞	14	20¾	— 1¼
Reynolds Tobacco, A (3)	116	116	116	+26
Reynolds Tobacco, B (3)	75	47	75	+23
Reynolds Tobacco pr (7)	118	114	115	— 1
Robert Reis & Co	19⅞	10	15	— ¼
Robert Reis & Co 1st pf	82	67	73	— 5
Rossia Ins Co of America (6)	94½	86	87½	..
Roy Dutch N Y Shares (3.46)	55⅛	40½	48¼	— 4½
Rutland pf	39	22½	32	+ 2⅞
ST. JOSEPH LEAD (†2)	23⅜	17	22¼	+ 3¼
St Louis-San Francisco	27	16¾	19¾	— 2¼
St Louis-San Francisco pf	50	35⅝	43	+ 6
St Louis Southwestern	36⅜	25½	34	+ 4
St Louis Southwestern pf (5)	63⅞	54⅜	58	+ 2¼
Santa Cecilia Sugar	5	1¼	2½	..
Savage Arms	35½	18½	33¾	+15½
Schulte Retail Stores (§8)	116¾	88	108½	..
Schulte Retail Stores pf (8)	115	112	112	..
Seaboard Air Line	7½	4¾	6½	+ 1½
Seaboard Air Line pf	15¾	8¼	14½	+ 6
Sears, Roebuck & Co	92⅜	65¾	86¾	+ ¼
Sears, Roebuck & Co pf (7)	115	106½	115	+ 5½
Seneca Copper	12½	4⅞	5⅛	— 2½
Shattuck-Arizona	10⅞	5	6½	— 1¼
Shell Trans & Trading (2.06)	41¼	29⅛	34¼	— 1½
Shell Union Oil (1)	19¼	12⅜	17	+ 4¼
Shell Union Oil pf (6)	95	89½	92½	+ ½
Simms Petroleum	16	6½	11½	..
Simmons Co (1)	34⅝	22¾	23⅜	..
Simmons Co pf (7)	101¾	96	96	..
Sinclair Consol Oil (2)	39⅛	16	27	— 8
Sinclair Consol Oil pf (8)	99⅛	80¼	85½	—13
Skelly Oil	35	12⅛	25⅞	..
Skelly Oil, old	13⅞	9⅝	13⅝	+ 4¾
Sloss-Sheff Steel & Iron Co	63¼	39¼	61	+21¼
Sloss-Sheff S & I Co pf (7)	90	68	84	+ 8
Southern Pacific (6)	95¼	84¼	87	— 2⅛
South Porto Rico Sugar	70	38¼	68	+26
South Porto Rico Sugar pf (8)	100½	92¾	98½	+ 5
Southern Railway	38⅞	24¾	38⅞	+13⅝
Southern Railway pf (5)	70⅞	63	67	+ 1½
Southern Ry M & O ctfs (4)	*67	*65	*65	..
Spalding (A G) & Bros 1st pf (7)	105	100½	102	— 1¾
Spicer Mfg	27¼	11¾	16	— 4⅝
Spicer Mfg pf (8)	97⅞	88	92	+ 3
Standard Milling (5)	90½	60¼	62	—24
Standard Milling pf (6)	97	81	81½	—13
Standard Oil of Cal (2)	64½	47⅛	64¼	+ 3¼
Standard Oil of N J (1)	44¼	30⅞	41⅞	+ ¼
Standard Oil of N J pf (7)	118¼	114¾	117	— ½
Steel & Tube pf (7)	110⅝	85	110⅝	+25⅜
Sterling Products (†5¾)	67⅜	51	63	+ ¾
Stern Brothers pf (8)	115¼	109⅞	115¼	+ 6¼
Stewart-Warner Speed (10)	124½	74	91¼	+12¼
Stromberg Carburetor (†9½)	94¼	59½	80½	+14⅜
Studebaker Co (10)	126⅜	93¾	107	+13⅜
Studebaker Co pf (7)	117	112	117	+ 1
Submarine Boat	15	7	12	+ 4¼
Superior Oil	6¾	2	2¼	— 3⅛
Superior Steel	34	23½	31½	+ 2⅜
Superior Steel 1st pf (8)	115	95¾	115	+25
Sweets Co of America	3½	1	3	+ 1
TENNESSEE COP & CH (1)	12¾	8	9⅜	— 1¼
Texas Co (3)	52⅞	34⅝	44⅛	4½
Texas Gulf Sulphur (†6½)	65	53¼	61½	+ ½
Texas & Pacific	29½	14	19¾	— ⅞
Texas & Pacific Coal & Oil	24¾	5½	11¼	—10⅛
Texas Pacific Land Trust	*324	*274	*321	..
Third Avenue	19¼	8½	9½	— 5⅞
Tide Water Oil (4)	144	94	122⅞	— 1⅝
Timken Roller Bearing (†3½)	45	33⅛	39½	+ 6⅛
Tobacco Products (6)	78⅜	46¾	69⅜	+12
Tobacco Products Class A (7)	92⅞	76½	89½	+ 5½
Tobacco Products pf (7)	115½	104¾	113	+ 5
Tol, St. L & West	66	62	65	..
Tol, St L & West pf	57½	51¾	56⅝	— ⅝
Tol, St L & West ctfs	64	53⅛	56⅛	..
Tol, St L & West ctfs pf	60	50	58¼	..
Transcontinental Oil	14½	1¼	4⅛	— 9¾
Transue & Williams Stl F (3)	40	30	34½	+ 1½
Twin City Rapid Transit (6)	77½	58	64¾	+ 6¾
Twin City Rapid Transit pf (7)	100	90	95	+ 6
UNDERWOOD TYPE old	183	136	164	+27½
Underwood Typewriter (3)	42	35⅞	42	..
Underwood Typewriter pf (7)	120	120	120	+ 2
Union Bag & Paper (6)	77½	50	65	— 1½
Union Oil	¼	⅛	¼	+ ⅛

STOCK	High	Low	Last	Net ch'ge from closing 1922
Union Pacific (10)	144⅞	124⅛	128½	— 9⅛
Union Pacific pf (4)	76¼	70¼	71⅞	— 3⅛
Union Tank Car (5)	99¾	81	94½	+ 9½
Union Tank Car pf (7)	114	106	107½	— 1½
United Alloy Steel (3)	39½	29	33	— 1
United Cigar Stores (12)	230	169	210	+25
United Cigar Stores pf (7)	119	108⅛	112⅞	— 2⅛
United Drug (6)	85⅜	74⅜	80	+ ½
United Drug 1st pf (3½)	48⅛	46¼	48⅝	+ ⅛
United Dyewood (6)	50½	38½	39	+ 4⅛
United Dyewood pf (7)	94	92	93	— 2
United Fruit (†10)	187½	152½	181¼	+26¾
United Paperboard	19½	14	19½	+ 5
United Railway Investment	21⅞	7⅞	10½	— 1¼
United Railway Investment pf	62	26	37½	+ 9⅜
United Retail Stores	84⅛	2⅛	2⅛	..
U S C I Pipe & Fdry (2)	69½	20	67⅛	+38⅛
U S C I Pipe & Fdry pf (†7½)	87	64	85½	+13⅞
U S Express	8⅜	3⅛	3½	— 3⅛
U S Food Products	6½	2⅛	3⅜	— ⅞
U S Hoffman Machinery	25	13¾	18	— 8
U S Industrial Alcohol	73¼	40	71⅞	+ 3⅜
U S Industrial Alcohol pf (7)	101	95⅛	96	— 2
U S Realty & Improv (8)	106	88⅛	102⅛	+14⅛
U S Realty & Improv pf (7)	108⅜	97½	105½	+ 3⅛
U S Rubber	64⅞	30⅝	37⅛	—18⅛
U S Rubber 1st pf (8)	105	76¾	89⅛	— 9⅛
U S Smelt, Ref & M	43⅛	16	20⅛	—16¼
U S Smelt, Ref & M pf (3½)	48⅛	38⅜	36⅜	— 9⅛
U S Steel (†¼)	109⅝	85½	94½	—12⅛
U S Steel pf (7)	123½	116⅛	119½	— 2⅛
U S Tobacco (3)	69	48	53⅛	+ 7⅞
U S Tobacco pf (7)	112	105½	106½	— 2½
Utah Copper (4)	76½	55½	64⅛	— ¼
Utah Securities	24⅛	14	16¼	..
VANADIUM CORP	44⅝	24¾	31	— 4
Van Raalte	64	27	28	—35
Van Raalte 1st pf (7)	98	79¾	79¾	—17¼
Va-Carolina Chemical	27	6¼	9⅛	14⅛
Va-Carolina Chemical Class B	17	3¼	5⅛	—11⅞
Va Iron, Coal & Coke (3½)	69	17	33⅛	—32⅞
Va-Car Chemical pf	69	52	53	— 1
Va Iron, Coal & Coke pf (5)	85	77½	80	..
V Vivaudou (2)	23	12	14¾	— 1
Va Ry & Power	40	30¾	36	..
Vulcan Detinning	10	5	8¼	..
Vulcan Detinning pf (7)	72½	64	*70¼	..
WABASH	12	7⅛	10⅞	+ 2⅛
Wabash pf A	36½	23⅛	35½	+10⅛
Wabash pf B	23¾	16½	22	+ 4
Waldorf System, old	44⅜	30½	36¾	..
Waldorf System (1¼)	20	14⅝	15	..
Weber & Heilbroner (1)	16⅜	12¼	16	+ 3⅜
Wells-Fargo (2½)	54	33	35½	—10⅜
West Penn Co (2)	52⅝	38¼	47	..
West Penn Co pf (7)	90⅞	84	89½	..
West Penn 6% pf	88	75¼	87	..
Western Electric pf (7)	117	111⅛	113	..
Western Maryland	15	8	9¼	— 2⅛
Western Maryland 2d pf	26¾	14	17⅝	— 6⅛
Western Pacific	20¼	12	15⅛	— ⅛
Western Pacific pf (6)	63⅜	53	58	+ 3
Western Union Tele (7)	119½	101⅛	107	— 4½
Westinghouse Air Brake (6)	120	76	83	— 3½
Westinghouse E & M (4)	67⅛	52½	60⅝	+ ⅛
Westinghouse 1st pf (4)	78	70	73¾	+ ¾
Wheeling & Lake Erie	10⅝	6	7⅜	— 2
Wheeling & Lake Erie pf	19	10	15	— 2½
White Eagle Oil (†2¼)	30¾	20	26¾	..
White Motors (4)	60⅞	45	55⅛	+ 6⅜
White Oil	5⅞	¼	⅝	— 2½
Do ctfs	1	⅛	⅞	..
Wickwire Spencer Steel	14	2	3¼	— 7⅝
Wilson & Co	42¾	19	26⅛	— 9⅝
Wilson & Co pf (7)	87	63	69	—18
Willys-Overland	11¼	5	10¾	+ 3¾
Willys-Overland pf	83	42½	82⅛	+38⅜
Wisconsin Central	38⅞	23	36	+10
Woolworth (F. W.) Co (8)	290	199⅛	282	+62¼
Do pf	125¼	124¾	125¼	+ 1¼
Worthington Pump	40¼	19⅞	24⅝	— 8¼
Worthington Pump pf A (7)	83¼	65	65	—20⅝
Worthington Pump pf B (6)	71½	59¾	60	— 8
Wright Aeronautical (1)	13⅝	8¼	13¼	+ 4⅝
Wrigley (William, Jr.) (3)	40¼	37¾	38⅞	..
YOUNGSTOWN S & T (5)	80	62	68	..

Dividend rates as given in the above table are the annual cash payments based on the latest quarterly or half yearly declarations. Unless otherwise noted ,extra or special dividends are not included.

* Odd lot sale. † Partly extra. § Payable in preferred stock.

Great Increase in Securities Listed on New York Stock Exchange

Tremendous Variety of Enterprise Now Represented on Country's Most Important Security Market

THE year 1923 witnessed the addition of an imposing array of new securities to those already listed on the New York Stock Exchange. These companies were in many widely spread phases of business and industrial activity. To enumerate but a few there were additions in the following industries: Household appliances, Building, Yeast Manufacturing, Printers' Supplies, Hosiery, Bed Manufacturing, and Lunch rooms. Practically every type of commercial enterprise in this country is now represented among securities listed on the New York Stock Exchange.

Advantage of Listing

The wider distribution of securities facilitated by this market is the principal cause for these additional listings, and it is clearly perceived that the continued industrial growth of this country must result in continual additions to the already listed securities.

The advantage to both company and stockholder from such a ready market cannot be overestimated, and some of even the very largest corporations in the United States, such as the Standard Oils for example, have in recent years shown a tendency to have their issues of bonds and stocks have as wide a distribution as possible. This represents what might be termed an essentially democratic impulse and makes for greater confidence in securities all around.

1923 LISTINGS ON N. Y. STOCK EXCHANGE

	Capitalization				Earned Per Sh. 1922 (On Present Capitalization)	1923 Price Range Since Listing		
	Bonds	Preferred	Common (No. of Shares)	Working Capital		High	Low	Dividend Rate
American Chain "A"	$7,500,000	**350,000 shs	250,000	$10,574,050	$2.25	25½	20⅜	$2
Arnold Constable	None	None	175,000	1,810,267	deficit	18⅞	10½	..
Auto Knitter	None	None	100,000	407,250	5.59	28¼	6⅝	3
Calumet & Hecla	None	None	2,005,480	15,888,815	deficit	20½	17⅛	0.50
Century Ribbon	None	$2,000,000	100,000	2,869,176	4.86	36⅞	28	..
Columbian Carbon	None	None	402,131	1,729,693	4.68	51⅛	41	4
Congoleum	2,926,600	1,826,100	957,520	3,933,557	2.72	§184½	44½	3
Cuban Dominion	6,492,000	7,710,700	1,035,522	3,714,645	deficit	12¼	3	..
Cuyamel Fruit	3,679,000	None	250,000	922,443	5.37	72½	54½	4
Douglas-Pectin	487,500	None	300,000	1,076,837	1.74	14¼	11	1
Eaton Axle & Spring	None	None	229,500	2,837,586	3.18	27	20	2.60
Fleischman	None	3,000,000	1,500,000	13,041,365	5.00	47⅞	37⅜	3
Foundation	None	1,000,000	41,125	1,300,000	5.79	78⅜	58½	6
Gardner Motor	None	None	155,000	943,996	deficit	22	9½	..
General Refractories	3,985,000	None	225,000	1,300,000	a	55⅞	52	4
Hayes Wheel	1,432,000	None	200,000	2,423,152	5.79	44	31	3
Household Products	None	None	500,000	772,195	3.81	39⅜	28⅝	3
Independent Oil & Gas	None	None	450,000	750,000	3.70	11¼	3⅜	..
Inland Steel	750,000	10,000,000	1,182,799	25,839,928	0.96	46⅜	31⅛	2.50
International Shoe	None	17,914,200	920,000	35,718,010	9.58	79¾	64¼	4
International Tel. & Tel.	9,520,282	None	168,450	2,000,000	6.50	71½	64	6
Intertype	750,000	1,124,600	181,029	4,267,384	5.30	41½	24⅝	1
Kinney, G. R.	1,973,000	5,598,100	60,000	5,626,670	8.27	64⅜	35½	..
Maracaibo	800,000	None	253,850	873,000	....	28⅜	16	..
Munsingwear	None	1,400,000	200,000	6,444,000	6.11	36½	31½	3
National Department	1,826,000	11,300,000	500,000	6,529,561	4.50	42½	34¾	..
National Supply	None	7,265,000	242,500	24,629,000	13.20	68½	54	3
National Surety	None	None	100,000	....	13.90	164½	161	9
New York Canners	600,000	2,661,600	100,000	2,241,838	6.50	32½	24½	2
Onyx Hosiery	None	3,500,000	160,000	5,604,145	10.44	50	25⅛	..
Pennsylvania Coal & Coke	427,611	None	172,606	2,777,631	2.90	43⅜	27	4
Philip Morris	None	None	276,000	903,167	0.50	24⅝	11½	2
Phoenix Hosiery	220,000	4,500,000	175,000	4,147,260	9.00	46¾	27	..
Rossia Insurance	None	None	48,000	*4,399,000	7.37	94½	86	6
Schulte Retail Stores	None	3,200,000	300,000	3,972,285	8.41	116¾	88	†8
Simmons Co.	448,000	6,635,900	875,540	10,154,741	2.35	34⅝	22¾	1
Simms Petroleum	None	None	673,280	2,807,300	0.29	16	6½	..
Skelly Oil	3,182,000	None	799,581	2,018,468	2.05	35	12⅛	..
Waldorf System	696,500	1,629,600	441,610	409,825	2.42	20	14⅝	1.25
West Penn	64,339,825	8,054,700	225,000	225,000	2.37	52⅝	38¼	2
Wrigley, Wm., Jr.	None	None	1,800,000	6,823,066	3.40	40½	37¾	3
Youngstown Sheet & Tube	74,972,060	14,974,400	987,606	63,935,614	‡	80	62	5

* Estimated liquidating value of assets. † Paid in 8% preferred stock. ‡ Consolidated earnings of Youngstown Sheet & Tube, Brier Hill Steel and Steel & Tube Co. of America for 1922 were approximately equal to interest charges on funded debt now outstanding. § Stock dividend of 300% paid to stockholders of record Dec. 17. ** Class A stock. a Earnings for 6 months ended June 30, 1923, equal to $3.31 a share.

Dividend Changes in 1923

On Stocks Listed on the New York Stock Exchange

Company	Stk. Divs. Paid 1922	Stk. Divs. Paid 1923	Cash Divs. Paid (Including Extras) 1922	Cash Divs. Paid (Including Extras) 1923	Present Cash Div. Rate
Adams Express	...	...	$1.00	$5¼	$6.00
All-American Cables	20%	...	7.00	6.00	6.00
Amer. Bank Note	10	...	15.00	9.75	5.00
Amer. Brake, Shoe & Foundry	...	...	4.00	5.00	5.00
Amer. Can	...	...	....	5.00	5.00
Amer. Express	...	...	5.00	7.00	6.00
Amer. Locomotive	...	...	*3.00	*5.50	6.00
Amer. Radiator	50	...	4.00	4.00	4.00
Amer. Safety Razor	...	...	0.25	0.50	0.50
Amer. Smelting & Refining	...	...	....	2.50	5.00
Amer. Steel Foundries	18	...	3.00	3.00	3.00
Amer. W. Wks. & Elec. prior pfd	...	...	....	3.00	4.00
Anaconda Copper	...	...	....	2.25	3.00
Atlantic Refining	900	...	20.00	4.00	4.00
Baltimore & Ohio	...	...	....	1.25	5.00
Beech-Nut Packing	400	50%	†5.76	1.20	2.40
Brooklyn Union Gas	...	...	4.00	5.00	5.00
Brown Shoe	...	...	....	3.00	4.00
Butte Copper & Zinc	...	...	....	0.50	0.50
Butte & Superior	...	...	0.50	1.00	None
Central R. R. of N. J.	...	...	10.00	12.00	8.00
Cerro de Pasco	...	...	....	3.00	4.00
Chicago & Northwestern	...	...	5.00	5.00	3.00
Chicago, St. P., Minn. & Omaha	...	...	5.00	5.00	None
Chile Copper	...	...	....	2.50	2.50
Cluett-Peabody	...	...	....	5.00	5.00
Coca-Cola	...	...	3.00	7.00	7.00
Colorado & Southern	...	...	3.00	....	None
Columbia Gas & Electric	...	a	*2.00	*2.45	2.60
Columbian Carbon	...	...	3.50	4.00	4.00
Commercial Solvents "A"	...	...	2.00	1.00	4.00
Computing-Tabulating-Recording	...	...	5.00	6.00	6.00
Congoleum	...	300	4.00	10.00	3.00
Consolidated Cigar pfd	...	...	1¾	7.00	7.00
Continental Can	...	...	....	3.50	4.00
Corn Products	...	...	6.00	11¼	b
Cosden & Co.	...	...	3.25	3.00	None
Crucible Steel	...	...	1.00	3.00	4.00
Cuban-American Sugar	...	...	....	0.75	3.00
Cuyamel Fruit	...	...	....	3.00	4.00
Delaware, Lack. & Western	...	...	5.50	6.00	6.00
Dome Mines	...	...	2.50	3.00	c2.00
Du Pont de Nemours	50	...	6.00	6½	8.00
Eastman Kodak	...	...	*3.50	7.50	5.00
Electric Storage Battery	...	...	*3.00	4.75	4.00
Endicott-Johnson	...	20	5.00	5.00	5.00
Fidelity-Phoenix	...	...	10.00	6.00	6.00
General Baking	200	...	8.00	4.50	6.00
General Motors	...	...	0.50	1.20	1.20
Great Northern	...	...	5¼	5.00	5.00
Gulf, Mobile & Northern pfd	...	...	....	1.00	4.00
Gulf States Steel	...	...	....	3.00	4.00
Hartman Corp.	...	...	7.00	7¼	8.00
Hayes Wheel	22	...	3.00	3.00	3.00
Homestake Mining	...	...	3.50	6.00	6.00
Hudson Motor	...	...	1.00	3.75	3.00
Hupp	...	10	1.00	1.00	1.00
Inland Steel	...	...	1.00	2.12½	2.50
Inspiration Consolidated	...	...	....	2.00	2.00
International Cement	...	...	2.62½	3.25	4.00
International Harvester	4	2	7.00	5.00	5.00
International Mer. Mar. pfd	...	...	6.00	1.50	None
International Shoe	...	...	2.00	2.75	4.00
Jones Brothers Tea	...	...	2.00	4.00	None
Kennecott	...	...	....	3.00	3.00
Kresge, S. S.	...	33⅓	7.00	8.00	8.00
Laclede Gas Light	...	...	5¼	14.00	7.00
Lee Tire & Rubber	...	...	2.00	1.50	None
Lima Locomotive	...	...	1.00	4.00	4.00
Loew's, Inc.	...	...	....	0.50	2.00
Loft, Inc.	...	...	1.00	....	None
Louisville & Nashville	...	62.5	7.00	6.00	5.00
Mack Truck	...	...	1.00	3.50	6.00
Mackay Co.	...	...	6.00	17.00	7.00
Market Street Ry. prior pfd	...	...	4½	6.00	6.00
Martin-Parry	...	...	2.00	3.00	3.00
May Dept. Stores	30	...	4.00	5.00	5.00
Mexican Petroleum	...	...	12.00	16.00	16.00
Mexican Seaboard	...	...	5.00	1.00	None
Middle States Oil	...	...	1.20	0.60	None
Montana Power	...	...	3.00	3.50	4.00
Moon Motor	...	...	0.35	2.87½	3.00
National Biscuit	75	...	d7.00	3.00	3.00
National Enameling & Stamping	...	...	1.50	5.50	4.00
National Lead	...	...	6.50	8.00	8.00
New Orleans, Texas & Mexico	...	...	6.00	7.00	7.00
New York Air Brake	...	...	....	2.00	4.00
New York Central	...	...	5.00	6.00	7.00
New York, Chicago & St. Louis	...	...	5.00	6.00	6.00
New York Dock	...	...	2½	....	None
North American Co.	1	1.50	e4.00	1.75	2.00
Northern Pacific	...	...	5¼	5.00	5.00
Nunnally Co.	...	...	0.50	1.00	1.00
Ohio Fuel Supply	...	100	4.50	2.81	2.50
Owens Bottle	...	...	2.00	2.75	3.00
Pacific Gas & Electric	2	2	5.00	6.00	6.00
Pacific Oil	...	...	3.00	2.50	2.00
Packard Motor	100	...	0.50	1.10	1.20
Pan-American	25	20	6.00	8.00	8.00
Penn Coal & Coke	...	40	4.00	4.00	4.00
Pennsylvania Railroad	...	...	2.25	3.00	3.00
Pere Marquette	...	...	....	2.00	4.00
Philadelphia Co.	...	...	3.00	3.50	4.00
Phillips Petroleum	50	...	1.50	3.00	2.00
Pierce Oil pfd	...	...	2.00	....	None
Pittsburgh Coal	...	...	3¾	4.00	4.00
Pittsburgh, C. C. & St. Louis	...	...	6.00	4.00	4.00
Postum Cereal	...	100	3.75	3.25	3.00
Pressed Steel Car	...	...	....	1.00	4.00
Producers & Refiners	...	...	....	2.50	None
Punta Alegre Sugar	...	...	....	1.25	5.00
Pure Oil	...	...	2.00	1.75	1.50
Remington Typewriter 2nd pfd	...	...	....	2.00	8.00
Republic Iron & Steel pfd	...	...	1¾	9¼	7.00
Reynolds Spring	...	...	....	0.50	2.00
Reynolds Tobacco	...	33⅓	2.75	3.00	3.00
Royal Dutch	...	...	3.889	3.469	f
St. Joseph Lead	...	...	1.25	2.00	1.00
St. Louis-Southwestern pfd.	...	...	2½	5.00	5.00
Schulte Retail Stores	...	...	g5.00	g6.00	g8.00
Simmons Co.	100	5	1.65	1.25	1.00
Sinclair Consolidated	...	...	1.00	2.00	2.00
Sloss-Sheffield pfd.	...	...	1¾	7.00	7.00
Southern Railway pfd	...	...	2.50	5.00	5.00
Standard Oil of Cal.	100	...	4.00	2.00	2.00
Standard Oil of N. J.	400	...	5.00	1.00	1.00
Stewart-Warner	...	...	4.00	9.00	10.00
Stromberg Carburetor	...	...	1.00	6.50	8.00
Studebaker	25	...	10.00	10.00	10.00
Tennessee Copper	...	...	....	0.75	1.00
Texas Gulf Sulphur	...	...	5.00	6.25	6.00
Texas Pacific Coal & Oil	...	...	1.00	0.75	None
Tidewater Oil	...	...	....	1.00	4.00
Timken Roller Bearing	...	...	1.50	3.50	3.00
Tobacco Products	...	...	....	1.50	6.00
United Alloy Steel	...	...	1.00	2.50	3.00
United Drug	...	...	....	3.00	6.00
United Fruit	...	...	8.00	12.00	10.00
U. S. Realty & Improvement	...	...	1.50	7.00	8.00
U. S. Steel	...	...	5.00	5.25	5.00
Utah Copper	...	...	2.00	4.00	4.00
Vivaudou	...	...	....	2.00	2.00
Westinghouse Air Brake	...	35	4.75	6.30	6.00
White Eagle Oil	25	...	2.00	2.00	2.00
Woolworth	...	...	10.00	8.00	8.00
Worthington Pump & Mach.	...	...	3.00	....	None
Youngstown Sheet & Tube	...	...	2.25	5.75	5.00

* On basis of present outstanding common shares.
† Par value reduced from $100 to $20 May 3, 1922.
a Three shares of no par stock given for each share of $100 par old stock May, 1923.
b New stock expected to be put on a $2 dividend basis.
c On new no par value stock.
d On old par $100 stock.
e On old par $50 stock.
f No regular dividend rate.
g Payable in $8 preferred stock.

The Bond Market in 1923

Factors Behind the Lower Trend of Bond Prices

By JACKSON MARTINDELL

THE average price of forty bonds touched a high point of 83 in August, 1922, as shown by the accompanying graph. This represented an advance of more than 27% over the low of 65 established two years previous, and has since proved to have marked the culmination of the upward movement. The reaction that set in during the latter half of 1922 continued throughout the entire past year with the exception of an almost imperceptible improvement in the last quarter. The averages fell from 79.4 in January, 1923, to 75.6 in September, closing the year around 76.8 for a net loss of more than two and one-half points.

This downward movement can be attributed to several factors, the most important of which were developments in the money market. Speaking broadly, bond prices are to a great extent controlled by, and fluctuate in inverse ,ratio to time money rates. As a result of continued improvement in business conditions during the first part of last year, there was a steady increase in demand for time funds, and rates climbed upward from 4¾ to 5½%, which compared with a low figure of 4% prevailing in the summer of 1922.

Need for Working Capital

It can readily be seen that many industrial organizations and business men in need of liquid funds must have disposed of their high-grade bonds yielding less than 5½%, rather than to resort to borrowing at a higher rate. Financial institutions also liquidated low yield investments so as to secure the more attractive time-money return and to provide the funds necessary for increased industrial activity.

Although time-money rates remained fairly steady around 5-5½% during the last half of 1923, the needs of business for working capital were still too great to permit of a large volume of bond purchases. Profits were made in many lines of activity, but they were just large enough in most cases to comfortably finance the gain in volume of trade. The business outlook remained favorable right up to the end of the year, thus encouraging merchants and manufacturers to increase inventories and provide for plant expansion, rather than strengthen their investment accounts in preparation of hard times ahead. Had the outlook been less satisfactory, demand for time money would have slackened considerably, with a resultant decline in rates, and other conditions being favorable, the better grade of bonds would have advanced in price to materially higher levels.

Decline in Prices

There is usually very little relation between stock and bond prices, yet it is probable that the general decline in stocks that began in March had more than a little to do with the weakness in bond issues, particularly those of a speculative character. A lack of confidence on the part of those individuals who ordinarily assume that all securities are a sale in the face of bearish sentiment, must be taken into consideration. Bondholders who lost money on stock speculations and were in need of cash, also contributed largely to the aggregate of selling orders that came into the market at that time.

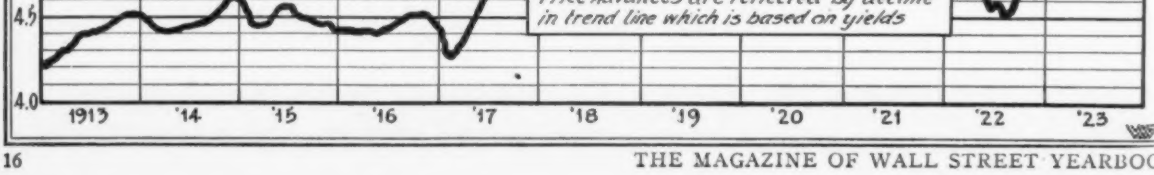
Another cause of the unsettled conditions prevailing was the large number of new offerings made at prices which proved unattractive to the public. Many syndicates were closed with good-sized blocks of securities undistributed, and the subsequent dumping of these overboard at any price obtainable, tended to further demoralize the market. It is to be recalled that throughout 1922, a veritable army of would-be investors were taking advantage of the strength shown in new issues, by subscribing and then selling at a profit, without the necessity of accepting delivery. When the expected upward movements failed to materialize, as was often the case during the past year, dealers were forced to accept cancellations for an overwhelmingly large number of subscriptions.

The total volume of bond issues brought out by underwriting houses was also of unusually large proportions. In January alone, over 538 million dollars of corporate bonds were offered, thus establishing a new high monthly record. Although subsequent offerings were not quite so heavy, a reduced volume of sales resulted in an accumulation of bonds on dealers' shelves. For severel consecutive months many investment bankers reported the most unsatisfactory business in their history. Sales of issues listed on the New York Stock Exchange were also light. The par value of bonds sold in May exceeded 268 millions, but dropped to 178 millions in July, and 158 millions in August. In the three months' period (July, August, September), sales were smaller than in any corresponding period subsequent to 1918. During October, activity increased somewhat, the par value of bond sales reaching 255 millions with further improvement in November and December, but sales were nevertheless still far below the 1922 level.

Liberty Bonds

Several of the Liberty Bond issues declined in price but slightly in 1923, and some not at all, their relative strength being to a great extent due to buying for British account. The willingness of the U. S. Government to accept Libertys at par in settlement of war debts enabled Great Britain to effect substantial savings through the purchase of issues selling several points below par, and this incidentally tended to stabilize prices. British payments during the year came to 161 million dollars practically all of which was transferred in the form of Liberty Bonds. It is interesting to note that this represented the entire reduction in the total amount of Liberty Bonds outstanding. U. S. Government short-term refinancing during the year amounted to approximately 900 million dollars. As these incursions into the money market are a fairly constant factor, it is doubtful if they have much effect on prices.

Movements of the various foreign



issues were very erratic. The United Kingdom of Great Britain and Ireland 5½% of 1929 and 1937 registered losses for the year of about 8 and 4 points, respectively. French bonds scored large alternate advances and declines, as a result of frequent changes in the Ruhr situation and in the exchange rate for the franc. Many of the South American issues were reactionary, especial weakness being shown in Bolivia 8s of 1947. An advance in prices of Mexican Government obligations, due to the debt readjustment announced in June, was practically all lost following the outbreak of revolution in December.

Foreign Flotations

The outstanding development in the foreign investment field was the successful flotation of a 125 million dollar loan to the Austrian Government. An allotment of 25 millions of the issue to investment bankers of this country was oversubscribed more than five times. The subsequent range of the bonds has been fairly close to the offering price. The real importance of this financing is that holders of the obligations of other European Governments were reassured as to their intrinsic value, which aided somewhat in avoiding an extensive decline in foreign bond prices.

A few railroad bond issues such as those of the Erie and Seaboard Air Line closed the year near the highest levels recorded, but the general trend of this group was likewise downward. The average price of 10 high-grade rails was 85.9 in December, compared with 87.8 in the first month of the year. A feature of the railroad bond market was the heavy offering of equipment trust certificates yielding from 4½ to 6%. The attractiveness of this type of security was again shown by the rush of investors to snap up new offerings even during an unfavorable period. Many mortgage bond issues were also brought out, but the total came to less than 150 millions, compared with 299 millions in the previous year.

Increased Offerings

The price movements of both industrials and public utilities exhibited a distinctly downward trend. The former established an average loss of 2.1 points compared with 2.7 for the latter. This difference was due in part to the fact that increased earnings of many industrial organizations brought their securities into the investment class, thus serving to strengthen the averages. The larger part of all new offerings were again made for the account of the industrials, the total amounting to over 950 millions compared with 911 millions in 1922. Chief among these were the two Anaconda issues, the 100 millions of 1st 6s of 1953 being the largest offering of its kind in our history. It was unusually well taken due to the publicity received.

Public utility financing came to 775 millions compared with but 688 millions in 1922. The increased amount of these offerings was more than the market could readily absorb. It is a well-known fact that the principal part of all undigested securities held by dealers during the dull summer months were public utilities. The most important new issue during the year, and also one which proved to be attractive, was the 100 millions of American Tel. & Tel. 5s offered in November.

Municipal Bonds

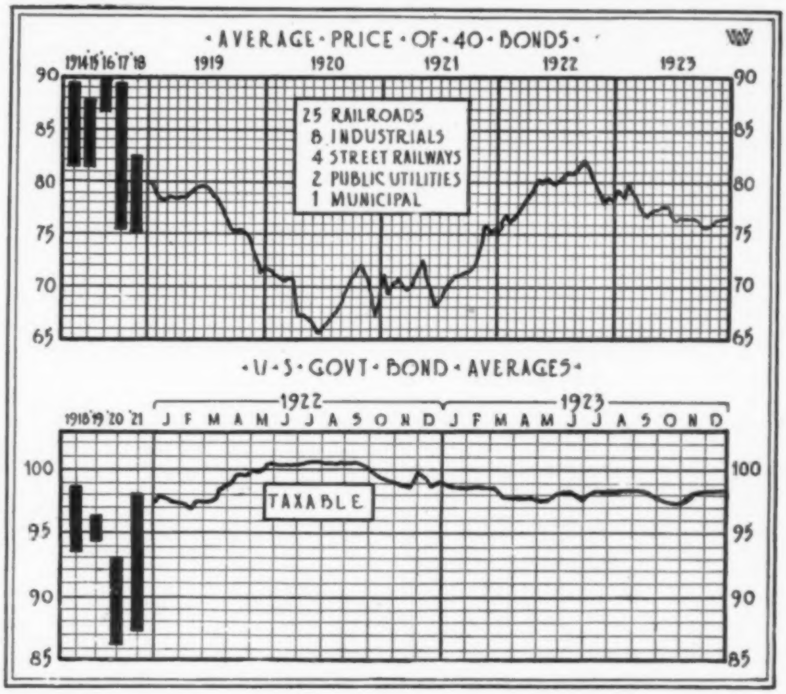
A review of the bond market would not be complete without reference to the municipals. While all available figures show that the entire amount of state, county and city bond issues offered to the public during 1923 was less than the 1922 total, the municipal bond market was nevertheless glutted with unsold bonds throughout the entire year. The increase in yield, which reflects the loss in price, averaged about .15 of 1%. Demand for this type of tax-exempt security was distinctly on the wane, due, perhaps, to the fact that investors had filled their needs from unusually large offerings in 1921 and 1922, and, what is more, to the fact that conservative bond buyers are becoming increasingly dubious of the safety of many municipal offerings. It is rather well understood that even a normal deflation in realty values would necessitate the suspension of interest payments in cases where the debt limit of a municipality has been closely approached.

All this has had to do with the obverse side of events in the bond market. There are many constructive developments that also deserve to be pointed out. In the first place, underwriters and distributors are no longer loaded down with undigested securities. The rise in the stock market during last November restored confidence to many investors and developed a fair demand for bonds. This accounted for the slight rise in the averages as well as increased sales.

Moreover, the distributing fraternity has had a thorough housecleaning. Many small and unscrupulous bond houses that repeatedly offered discounts on new issues during the past year, have been stricken from underwriters' lists, and, as a result, price cutting and its inevitably bad influence on market conditions, will no longer have to be contended with. The underwriters themselves have also learned a lesson. New offerings are now being priced much nearer their true value. In addition to these two developments, the buying public has largely discontinued oversubscribing in expectation of quick profits on an early sale.

As the year opened, it became apparent that conditions would favor the issue of new bonds put out at reasonable interest rates. The declining tendency of money had much to do with this situation, but of equal importance was the fact that the large profits of 1923 accruing to business men placed them in a position where they could consider the investment of their surplus funds. Large underwriting houses were not slow to take advantage of these conditions, and the result was an unprecedented volume of new offerings of all descriptions. A feature is the comparative absence of bonds offering high coupon rates. Thus, 7½ and 8% bonds seem to belong to the past, most corporations of good credit being in a position to finance themselves on at least a 7% basis.

All indications point toward a decline in time-money rates during 1924 which should mean lower bond yields and higher bond prices. The amount of funds available for both business and investment at the close of the year was of substantial proportions, and this ought to also be favorably reflected in the bond market. On the whole, it would appear that prices reached a lower level during the past year than will be witnessed again for a long while to come.



The Bond Market Record in 1923

(New York Stock Exchange Transactions)

Name of Issue	High	Low	Last	Y'r's Net Ch'ge from 1922 closing
ADAMS EXP CO col tr 1st g 4s, 1948	80⅝	80	80	..
Ajax Rubber Co temp 1st s f 8s, 1936	99½	86⅛	87½	— 8½
Am Agr Chem 1st cv 5s, 1928	100½	95	97¼	— 1
do 1st s f 7½s, '41	104⅞	96	97½	+ ½
Am Chain 6s, '33	97¾	91⅞	94	..
Am Cotton Oil deb 5s, '31	81¾	59	81¾	+ 3
Am Smelt & Ref Co 1st 5%, '47	92¾	86⅝	92	— ½
do 1st 5s, '47, new	92½	89⅜	92½	..
do 6s, '47	103¼	99⅝	103	..
Am Sugar Ref gold 6s, '37	104	99⅝	100⅞	— 2⅞
Am Tel & Tel col trust 4s, '29	93⅛	91	92½	+ ⅞
do collateral trust 5s, '46	99⅝	95	97⅜	— 1⅛
do convertible 6s, '25	120¼	113½	118¼	+ 1⅛
do deb 5½s, '43	98¾	98	98¼	..
Am Water W & El col tr 5%, '34	86	82	84¼	..
Am Writing Pap s f7-6%, '39	86¼	40½	45	—39
Anaconda Copper 1st 6s, '53	98⅞	93⅝	95⅞	..
do conv deb 7s, '38	104⅝	95½	98½	..
Ann Arbor 1st 4s, '95	65⅝	54¼	56	— 8½
Armour & Co R E 1st 4½s, '39	89½	82	84	— 4½
Armour & Co Del 5½s, '43	88⅞	87	88⅝	..
Assoc Oil 6s, '35	95¾	94⅛	95¾	..
Atch, T & S F Ry gen 4s, '95	91½	84¼	87	— 3⅛
do 4s of 1909 due 1955	84⅝	77	83	+ ½
do 4s of 1905 due 1955	86	77½	82½	+ 1
do conv 4s of 1910 due 1960	104¼	79½	79½	—21½
do adj g 4s, '95	82½	75½	80⅝	— 2⅞
do stamped	82⅞	76⅜	79⅜	— 3⅞
do East Okla D 1st g 4s, '28	96½	93¾	95¾	..
do Cal-Ariz 1st & ref 4½s, '62	93	87½	89¾	— 2¼
At Birmhm 1st gold 4s, 1933	69⅞	65	68⅝	+ ⅛
At Cst Line 1st gold 4s, 1952	89	82⅝	86½	— 1½
do gen un 4½s, 1964	88⅝	82	87½	— ½
do L & Nash col g 4s, '52	83	77	82¼	+ ½
At Fruit s f cv deb 7s, 1934	40½	18½	35	+ 5
At Refin temp g deb 5s, '37	99⅝	96	98	+ 1¼
BALDWIN LOCO WKS 1st s f 5s, 1940	103	100	100½	— 1
Balt & Ohio pf ln g 3½s, '25	97	93½	96¾	+ 3¼
do registered	95¼	93½	94½	..
do 1st g 4s, 1948	82¼	74⅝	81¾	+ 1½
do convertible 4½s, 1933	84¼	77	82½	+ 1
do ref & gen 5s, Ser A, '95	85	79½	83⅜	— 1⅜
do 6% secured bonds, 1929	101⅞	99⅝	101	+ ¼
do Pgh Jc & Mid div 1st g 3½s, 1925	96	91¼	96	+ 5⅛
do Pgh, L E & West Va ref g 4s, 1941	80	72½	80	+ 2⅝
do Southwn div 1st g 3½s, '25	96⅞	91½	96⅞	+ 5¼
do Tol Cin div 1st ln & ref 4s, 1959	68	61½	66⅜	— ½
Barnsdall Corp s f conv 8% Ser A, 1931	103½	94	97	— 4½
Bell Tel of Pa ref 5s, '48	99¼	95¼	98⅛	— ¼
do 1st & ref 7%, 1945	108½	107⅛	107⅛	— ⅞
Beth St 1st ext gtd s f 5s, '26	100	97⅞	100	+ 1
do 1st ln & ref deb 5s, 1942	97⅛	90⅛	96	+ ¼
do s f 5½s, Ser B, '53	94	87⅛	88½	..
do pr mn & im s g 5s, 1936	93¾	86⅝	89½	— 2⅝
do con s f g, ser 6s A, 1948	100¼	96	97½	— 1⅜
B & N Y Air L gtd 1st 4s, '55	75½	61	61	—14
Braden Cop cl tr s f 6s, 1931	101	97¾	100½	+ 1⅛
Brier Hill St 1st 5½s, 1949	97¼	91⅝	93¼	— 3
B'way & 7th Av 1st cons gold 5s, 1943	69	61½	62⅝	— 3⅞
Brooklyn City R R con 5s, '41	88	83	87½	..
Bklyn Edison 5% gen bds, '49	99	94½	98	+ ½
do 6% gen ser B, 1930	105	100½	102¾	+ ¾
do 7% gen ser C, 1930	108¼	105	106¾	+ ⅝
do 7% gen ser D, 1940	109½	107	108¼	— ¼
Bklyn Manh Tran s f 6s, A, '68	74⅜	65⅛	71⅛	..
Bklyn R T 50-yr g 5s, 1945	79	56	73¼	+17¼
do Equit Tr Co ctfs of dep	79	54	78¼	+27
do 1st ref gold 4s, 2002	68	52⅜	60¼	+ 7¼
do 7% sec nts due July 1, '21	96	86⅛	95¾	+ 7¾
do Cent Un Tr Co temp c d	95½	84	95½	+ 9¼
do stamped	92½	78	90¾	+ 7¼
Bklyn Un El 1st gold 4-5s, 1950	85	76⅜	81½	— ¾
do stamped guaranteed	85	76¾	80	— 2½
Bklyn Un Gas Co 1st ext gold 5s, 1945	100	93½	96⅜	+ ⅜
do deb conv 7s, 1929	117	107⅛	117	+ 7
do deb conv 7s, 1932	117⅛	107½	114¾	+ 2
do ref 6s, 1947	105½	100¼	103½	..
Burl, Ced R & Nor con 1st & Col Tr 5s, '34	99½	95	96	— 2¼
Bush Terminal Co 1st 4s, '52	87	80	81½	— 4⅝
CAL GAS & EL, unif & ref 5s, 1937	98⅜	93¾	96¾	— ⅞
Cal Petroleum s f 6½s, 1933	97	94½	95	..
Camaguey Sugar 1st s f 7s, '42	99½	93½	95	— 2½
Can Gn Elec gold deb 6%, 1942	103½	99	102⅜	+ ⅛
Can Nor 7% s f deb, 1940	115	110⅞	112	— ½
do s f deb 6½s, 1946	113⅝	110⅝	111⅜	— ⅛
Can Pac 4% cons deb stock	80½	76½	79¾	+ ¼
Car, Clinch & O 1st 5s, 1938	94	88¼	93¼	+ 1¼
do 1st con 6s, 1952	98⅜	89	96½	..
Cent Leather Co gold 5s, '25	99½	87½	94½	— 4⅛
Cent of Ga Ry 1st gold 5s, '45	102	100	100⅜	— 1⅝
do cons gold 5s, 1945	98¼	92⅝	95½	— 1¾
do 6% sec bds, 1929	101½	99½	100	+ ⅛
Cent of N J gen gold 5s, 1987	108	102⅝	103¾	— ¼
Cent Pac 1st ref gtd 4s, 1949	88½	81¾	86⅜	— 1⅛
do gold 3½s, 1929	92	89¾	91⅜	..
C de P Cop conv s f 8%, 1931	150	115	137	+ 1
C & O Ry g f & imp 5s, 1929	97	94⅜	96⅛	+ ⅜
do 1st cons gold 5s, 1939	102	97¾	100	+ 3¼
do gen gold 4½s, 1992	86¾	80⅞	84½	— 2
do convertible 4½s, 1930	89⅞	85	88⅞	— ⅜
do convertible 5s, 1946	96⅛	85⅜	89¼	— 6
do Coal River 4s, 1945	85	79¾	80	— 4
do Rich & A div 1st cn 4s, '89	80½	76⅛	80½	— ⅜
Chicago & Alton ref g 3s, 1949	56¼	50⅛	55⅛	+ 3
do 1st ln 3½s, 1950	35½	24⅞	33	+ 9

Name of Issue	High	Low	Last	Y'r's Net Ch'ge from 1922 closing
Chi, B & Q, Ill div 3½s, 1949	83	78½	78⅜	— 5⅛
do Illinois Div 4s, 1949	90⅜	85½	87⅞	— 4⅜
do Neb ext 4s, 1927	97½	95½	96	— 1¼
do gen 4s, 1958	89½	83	86	— 4
do 1st & ref 5%, 1971	101⅛	96⅜	97⅝	— 3⅛
Chi City & Conn Rys col tr 5s, 1927	66	48	49½	..
Chicago & Erie 1st g 5s, 1982	97½	89	92½	— 2½
C G L & C 1st gtd g 5s, 1937	96¼	91⅛	93½	— 4
Chicago Gt West 1st 4s, 1959	54	44¼	50	— 3
Chi, In & Louis ref g 6s, 1947	107¾	103⅜	104⅝	— 2⅞
do 1st & gen g 5s, Ser A, 1966	84	79⅛	79¾	— 3¾
do 1st & gen 6s, Ser B, 1936	98	93⅛	95	— 2¼
Chi, Ind & S R R 4s, 1956	84⅛	81	85	+ ½
C, M & P S 1st gtd 4s, 1949	66⅛	46¼	50¾	—15¼
Chi, Mil & St P gen 4s, 1989	74¼	68½	71	— 1⅞
do gen 4½s, 1989	83⅞	77	78⅛	— 3¼
do gen & ref 4½s, 2014	62¾	46	50⅛	—12⅛
do gen & ref cv 5s, Ser B, '14	70	50⅛	55½	— 5⅛
do conv deb 4½s, 1932	68	50	54¾	+11⅛
do 4s, 1925	84	63	67⅞	—12⅛
do 4s, 1934	63½	45¼	50½	+ 2⅛
Chi & N W ext 4s, 1886-1926	97	94⅝	97	+ 1
do gen g 3½s, 1987	77	69⅜	69⅜	— 7
do gen 4s, 1987	87	79	80	— 6
do stamped	87¼	80½	80½	— 4½
do gen 5s, stamped, 1987	105½	98¼	100	— 4
do s f deb 5s, 1933	101	97¼	98½	— 1½
do gold 7s, 1930	110	104¼	105⅞	— 2⅝
do gold 6½s, 1936	111	106	106⅛	— 4⅛
Chicago Rys 1st 20-yr 5s, 1927	83⅞	72½	74	— 4
Chi, R I & P gen 4s, 1988	82	76	78⅞	— 3⅞
do refunding 4s, 1934	83½	72½	73¾	— 9½
Chi, St L & N O gold 5s, 1951	102	95	101½	+ 2⅞
C, St P, M & O cons 6s, 1930	107½	102	102	— 5¼
do deb 5s, 1930	96¾	91½	98	— 3¼
Chicago Tel 1st 5s, 1923	100⅛	99¾	100	+ ⅛
Chi, T H & Southeastern 1st & ref 5s, 1960	83	76⅛	78	— 3
Chi Un Station 1st gtd 4½s, '63	93	87⅝	90⅝	— ⅜
Chi & West Ind gen 6s, 1932	105	104½	105	..
do cons 50-yr 4s, 1952	75⅞	68¼	71⅝	— 3⅛
Chile Copper col tr conv 7s, '23	121⅛	106	106	— 7¼
do col tr 6%, conv, 1932	103¼	96¼	99	+ 2⅞
Cin, G & E 1st & ref s f 5s, '56	99⅜	94¾	96	— 1⅛
C, Cin Chi & St L gen 4s, '93	82⅛	76	79⅛	— 2¾
do deb 4½s, 1931	93½	90	92⅛	+ ⅛
do gen 5s, 1993	100	95⅜	98½	— 1¾
do ref & imp 6%, 1929	103	100	100⅛	— 1⅜
do St L div 1st col g 4s, '90	81⅜	74⅛	79⅜	— 1⅜
do Springfield & Col div 1st g 4s, 1940	84	82⅛	85½	— 1½
Cleve Short L 1st gtd 4½s, '61	98	89⅛	90⅛	— 6⅛
Civ Un Trml 5½s, 1972	105½	101	103	— 1½
do s f 5s, 1973, Ser B	96¼	94	95⅝	..
Colo Fuel & Iron Co gen s f g 5s, 1943	89½	85½	88½	..
Col Ind 1st & col tr gtd 5s, '34	79½	74	75	— 2
Colorado & Sou 1st g 4s, '29	93½	90¾	92⅜	+ ⅛
do ref 4½s, 1935	87⅛	80½	81	— ⅞
Colum Gas & Elec 1st 5s, '27	98½	95	96½	— ½
do stamped	97½	95⅛	96¼	..
Comwlth Pwr s f g 6s, 1947	89⅝	84	87	— ⅞
Compt-Tab-Rec Co 30-yr s f 6s, 1941	101½	95½	98⅜	+ ⅞
Consoldton C Co Md 40-yr 1st & ref s f 5s, '50	90	84½	87	— 1½
Consumers G Co, Chi, 1st gtd g 5s, 1936	98½	89½	93¼	— 1½
Cuba C Sug 7% cv deb, '30	94	82	91½	+ 2⅛
do cv deb stamped 8%, '30	97½	87½	97⅜	+ 3½
Cuba R R 1st 50-yr g 5s, 1952	87	81	82	— 3
Cuban-Am Sug Co 1st coll 8% s f g, 1931	108½	105	107½	..
Cum T A T gold 5s, 1937	94½	91	94⅜	+ 2⅛
Del & Hud 1st & ref 4s, tax ex N Y, 1943	90	82⅜	84	— 3⅞
do 20-year conv 5s, 1935	98	90	92⅝	— 4½
do temp 15-yr g 5½s, 1937	102⅜	97	97½	— 4⅛
do 10-yr secured 7%, 1930	111¾	105	107½	— 1½
Den Gas & El 1st & ref 5s, '51	90	83¼	84½	— 2½
Den & Rio Grande 1st cons g 4s, 1936	76½	64⅛	67¼	— 8⅛
do cons g 4½s, 1936	80	71⅝	71⅝	— 6⅛
do improvement g 5s, 1928	88	79¼	79½	— ½
do 1st & refunding 5s, 1955	57	37	40⅝	— 9⅞
do Bankers Tr cft, stamp	54½	36½	39⅛	..
do Farmers L & T ctfs	53¼	37	40	..
Dery Corp D G temp 1st s f 20-yr g 7s, 1942	99	55	73	—25
Detroit Edison 1st col tr 5s, '33	101½	94¾	99¾	— ¼
do 1st & ref 5s, ser A, 1940	97¼	91¾	95⅛	+ ⅛
do 1st & ref 6s, 1940	104½	101	104½	— ⅞
Detroit & Mck 1st lien g 4s, '95	75⅛	65	65	—10
Det Utd Ry 1st cons g 4½s, '32	86¾	82	85¼	+ 2¾
Diamond Match Co (The) 15-yr s f 7½% cpn deb, '35	108½	104⅞	104⅞	— 2⅝
do Bankers Tr cfs of dep	64	45	50	+ 4¾
Dominion Iron & Steel 5½s, '39	85¼	76	79¼	— 6
Donner Steel 1st rf s f 7½s, '42	99⅜	84⅛	86½	— 3
Duluth, S Shore & Atl g 5s, '37	80	74	76½	— 2½
Du Pont de Nem 7½%, 1931	108⅞	106¾	107⅞	— ⅝
Duquesne Lt 1st & cl tr 6s, '49	105	101	103½	— ½
do conv deb gold 7½s, 1936	108	106⅜	107½	..
EAST CUBA SUG s f g 7½s, '37	113¼	94½	106⅛	— 8⅛
Edi El Ill Bkn 1st con gold, '39	91	86	88¾	+ 1¾
Empire Gas & F 1st cv 15-yr gold 7½s A, '37	94½	88⅛	90½	— 3⅛
Erie 1st con g ext 7% to 1930	105	102½	104¼	— 1
do 1st con g 4s pr bds, 1996	64½	54½	61⅞	+ 4⅞
do 1st con gen lien g 4½s, '96	56	43½	53½	+ 9⅞
do Penn col trust g 4s, 1951	90	82	88⅛	+ 5⅛
do 10-yr g 4s, Ser A, 1953	55½	41⅜	55	+12¾
do Series B, 1953	55⅛	42¼	55	+12½
do gen conv 4s, ser D, 1953	60¼	43¼	60	— 4¾
Federal L & Tr s f 5s, 1942	86½	81	82⅛	..
Fisk Rubber 1st 8%, 1941	108½	99	103	— 4

Name of Issue	High	Low	Last	Y'r's Net Ch'ge from 1922 closing
Fla E Coast Ry 1st 4½s, 1959	90	85⅜	88½	— ½
Francisco Sug 1st s f 7½s, '42	103	99¼	101½	— ⅞
Gal, Hous & Hend 1st 5s, 1933	93	85¼	93	+ 7½
Gen Elec Co deb g 3½s, 1942	82¼	76⅜	81¼	+ 5
do debenture 5s, 1952	103¼	79½	101⅝	— ⅛
Goodrich (B F) 1st mtge 6½s, 1947	101¾	96⅛	98	— 3½
Goodyear Tire & Rub 1st s f 8%, 1941	117¾	113⅝	114½	— ½
do 8% s f gold deb, 1931	103	99	101¼	+ 2⅛
do conv deb 8%, 1925	100	87	87	—10
Grand Trunk Ry of Can 7% s f deb, 1940	115	110⅜	112	— ⅞
do 6% s f deb bonds, 1936	105	102¾	103	— 1¼
Gray & Davis temp 1st conv s f 7s, 1932	101	85	89	—10¾
Great Nor gen 7s, 1936	110¾	105⅛	106¾	— 4
do gen gold 5½s, 1952	102⅞	94½	96¼	— 6¾
do ctfs B	13¼	7	7⅛	..
HARLEM RY-PT C 1st 4s, 1954	78½	67	73⅛	— 4⅞
Havana Elec Ry, L & P gen s f 5s, 1954	85¼	80	82¼	..
Havana El Ry cons gold 5s, 1952	94	87	93½	+ 3
Hershey Choco 1st s f 6s, '42	101½	96¾	101½	+ 3⅜
Hock V Ry 1st cv g 4½s, '99	86	80	83¾	— 1¼
Hudson Co Gas 1st g 5s, 1949	95	92⅞	94	+ 1
Hud & Man 1st lien & ref 5s, '57	84⅞	76⅞	80½	— 4¼
do adjustment income 5s, '57	65	55	58¼	— 2¾
Humble Oil & R deb 5½s, '32	99	94½	96½	— 1⅞
ILL BELL TEL ref 5s, 1956	95⅝	93⅛	94¼	..
do col trust gold 4s, 1952	85⅞	80	80½	..
do refunding 4s, 1955	88¾	82	85½	— 2½
do col trust gold 4s, 1953	82⅝	77¾	80¼	— 1¼
do ref 5s, 1955	100¾	97⅞	100⅝	..
do 5½% secured bonds, 1934	102⅞	100	100½	— 1⅜
do Chi St L & N O jt 5s, '63	97⅝	91⅜	94¼	— 2¾
Illinois Steel deb 4½s, 1940	92⅝	88	91½	— ¾
Indiana Steel 1st gtd 5s, 1952	101⅞	99	100¼	— 1
Int Met col tr gold 4½s, 1956	11	4½	10¾	+ 1¼
Int Rap Tr 1st & ref 5s, 1966	72⅞	56	59	—12½
do 6s notes, 1932	73⅛	52⅞	55½	—16⅞
do conv 7s g notes cfs, 1932	94¼	82	83½	—10½
Int Agric Corp 1st & col tr 20-year 5s, 1932	82	55	65⅝	— 9⅝
Int Cement Corp 8% cv n, '26	127⅛	109	125	+ 6¾
Int & Gt N 1st 6s, Ser A, '52	97⅝	86½	90¼	— 6¾
do adj mtg 6s, 1952	49¼	33	40⅜	— 7⅜
Intl M Mar 1st col tr s f 6s, '41	90¾	74	80	—10½
Int Paper 1st and ref s f cv 5s, Ser A, 1947	88½	81	83⅝	— 3⅞
do 1st and ref s f coupon 5s, Ser B, 1947	88¾	80⅞	83	— 5¼
Iowa Central 1st gold 5s, 1938	73½	57	63¼	— 7¾
do 1st & ref gold 4s, 1951	40	14	16⅝	—20⅜
Kan C, Fort S & M Ry cons gold 6s, 1928	102¾	100½	100¾	+ 2
do ref gtd gold 4s, 1936	79¾	73	73⅜	— 5⅝
Kan C Ry, P & L 5s, A, 1952	91	87	89½	..
Kan Cy South'n 1st g 3s, '50	72	65	69½	+ ⅜
do ref & imp 5s, 1950	89	83	86¼	— 2⅛
Kans City Terminal 1st 4s, '60	83¾	70⅝	81¾	— ⅞
Kan Gas & Elec 1st s f 6s, '52	97½	91⅞	93	— 3
Kayser (J) & Co 1st mtg 20-yr s f g 7s, '42	107¾	102⅜	104¾	— 1¾
Kelly Springfield Tire 8% s f gold notes, '31	110	98¾	102	— 5½
Keokuk & Des Moines 1st 5s, 1923	92	61	62½	—29
Kinney G R Co 15-yr conv sec g 7½s, 1936	102½	99	101⅝	+ 2⅞
LACK STEEL CO 1st gold 5s, 1923	100⅛	99⅞	99⅞	— ⅛
do 1st cons 5s, Ser A, 1950	92½	87	89	— 2¼
Lac Gas L C St L ref & ext 1st g 5s, 1934	97	89¾	92⅛	..
Lake Erie & W 1st g 5s, '37	97	91⅛	94⅛	+ ⅛
do 2d gold 5s, 1941	87½	81¼	86⅛	+ 1⅛
Lake Shore & M So gold 3½s, 1997	78½	72⅜	76	— 2
do debenture gold 4s, 1928	96	92⅝	94¼	— ¾
do 25-yr gold 4s, 1931	93½	90⅝	92¼	— ¾
Lehigh V N Y 1st gtd 4½s, '40	97	91¾	92½	— ½
Lehigh Val (Penn) gen cons gold 4s, 2003	81½	76⅛	77⅜	— 4⅛
do gen cons 4½s, 2003	92½	84	86½	— 3⅝
Lehigh V T Ry 1st gtd gold 5s, 1941	102½	99⅜	99⅜	— 2⅞
Lehigh V R R Co col tr gold 6s, 1928	105	100½	102⅛	— 3
Lex & East Ry 1st 50-yr gtd 5s, 1965	100	97	99¾	+ 1
Liggett & Myers Tob 7s, 1914	119¼	112	118	+ 2
do 5s, 1951	98¼	94½	96¾	— 1¼
do gen gold 4s, 1938	86½	81	85	+ 1½
do unified gold 4s, 1949	81	75	78¾	— 1
do 20-yr deb 5s, 1937	85½	82⅜	84½	+ 1½
do gtd refund gold 4s, 1949	83	75⅞	80½	+ 1
Lorillard Co (P) 5s, 1951	97⅛	93⅛	95½	— ½
do 7s, 1944	118½	111⅞	116½	+ 1½
Louisiana & Ark Ry 1st 5s, '27	98	93	97	+ 4½
Lo & Jef Bridge Co gtd gold 4s, 1945	81	77	79⅜	— 3⅝
Louis & Nashville gold 5s, 1937	103	97⅝	102½	+ 1
do unified gold 4s, 1940	92	87¼	89¾	— ⅜
do collat trust gold 5s, '31	102	96⅞	98	— 3
do g 7% notes, 1930	109	106	107	— 1⅜
do 1st & ref 5½%, 2003	106	101	105⅜	+ 1
do 1st & ref 5s, 2003	97½	95	97½	..
do St L Div 2d gold 3s, '80	63	58½	61	— 1
L & N, At Knox & Cin 4s, '55	86½	80¾	86	— ⅜
L & N, S & N Ala 5, 1963	99⅞	96½	98¾	+ ½
L & N Nash Southern Mon joint 4s, 1952	80⅛	75	78⅞	— 1⅛
Louis Gas & El 5s, 1952	88¾	86	88	..
MAGMA COPPER conv g 7s, 1932	120	107	111	+ 4⅛
Manati Sugar 1st s f gold 7½s, 1942	102	96	98¾	+ 1¼
Manh Ry of N Y cons gold 4s, 1990	64⅞	53¾	55½	— 5½
Manila R R South Lines 1st 4s, 1939	71½	59⅝	60	— 9¼
Manitoba S W Colonization 5s, 1934	98¾	95½	97½	+ ½
Market St Ry 1st cons 5s, 1924	96¾	88⅛	94½	+ 2⅝
do 6% col tr notes, 1924	99	93¾	97¼	+ 2⅛
Marland O 8% s f, 1931, with war't attached	160⅞	109	134	+22½
do without war'ts attached	107½	97	103	+ ½
do s f gold 7½s, Ser B, '31	104½	91¾	100	— 1¼
do do with warrants	159	102	131	+10
Merchants & Manf Exch s f g 7s, 1942	106	97¼	104⅞	+ 5½
Metropolitan Edi 1st & ref g 6s, 1952	99⅞	95½	97⅞	— 1⅛
Mexican Petroleum s f conv 8%, 1936	109¼	103	104½	— 4½
Michigan State Tel Co 1st 5s, 1924	100¼	99⅝	99⅞	+ ¼
Midvale S & Ord 20-yr tr conv s f 5s, 1936	91½	84½	85⅛	— 3*
do deposit receipts	88¾	84	86¼	..
do ref & ext 4½s, 1931	93	88⅛	92	+ 2½

Name of Issue	High	Low	Last	Y'r's Net Ch'ge from 1922 closing
Milw Gas Lgt Co 1st 4s, 1927	94¾	92⅞	94⅜	+ 1⅜
M, S P & S Ste M 1st cons gold 4s, 1938	90½	84⅜	86½	— 4¾
do 6½% col tr g, 1931	106	101	103	— 1⅜
do 1st ref 6s, ser A, 1946	105½	97¾	99	— 5
M, K & T 1st 4s, 1990	80¼	73½	76	— ½
M,K&TRy Co (New Co) 5% pr ln, ser A, '62	83⅝	74¾	78¾	— 4⅞
do 4% ser B, 1962	67½	61½	65	— 3¼
do 6% ser C, 1932	96¾	93	95¼	— 1¼
do 5% cum adj ser A, 1967	63	48⅝	51⅝	— 3½
Mo Pac 1st & ref 5s, ser A, 1965	86⅞	73¼	75¾	—11¼
do do do, ser C, 1926	97	94⅝	94⅞	— 1⅝
do 1st & ref mtg g 6s, ser D, 1949	99	85	87¾	—10¾
do gen 4s, 1975	63¼	47¼	51½	—11¼
M P 3d 7s ext at 4%, 1938	82½	79½	80¾	+ ⅞
Mob & Ohio 1st 6s, 1979-1927	104½	100	102½	— 1
do 1st exten gold 6s, 1927	104¾	99⅛	100⅝	— 2⅞
do St Louis & Mairo 4s, '31	90	87	89½	..
Mont Pow 1st ref s f 5s, 1943	98¾	93	95¼	— 3⅛
Mont Tram 1st & ref 5s, col tr, 1941	91	86⅛	87	— 2¼
Morris & Co 1st s m 4½s, 1939	87¾	73¾	76¾	— 9¼
Morris & Essex 1st ref gtd g 3½s, 2000	78¼	74	75	— 3
Mortgage Bond 5s, 1932	93½	91½	92¾	..
Mutual Fuel Gas 1st g 5s, 1947	95	89¼	93	— 1⅛
NASH, CHAT & ST L 1st cons g 5s, 1928	101	98⅝	99⅞	+ ⅜
Nas Elec R R cons 4s, 1951	67¾	51	51	..
do stamped	58	53⅝	53¾	..
Nat Acme 7½s, 1931	95¾	90	90⅝	..
Nat Ry of Mex pr ln 50-yr s f 4½s, 1957	32¾	23⅛	24¼	— 1⅜
N R R of M pr ln gold 4½s, 1926	44⅜	32⅜	35½	— 2½
do 1st cons gold 4s, 1951	20½	19¾	20	— 2⅞
Nat Tube Co 1st gtd 5s, 1952	101½	98	99¾	— 1¼
N E Tel & Tel Co 1st 5s, '52	100	95½	98	— 1⅜
N Orl & N ref & imp 4½s, '52	83⅝	77	83	+ 2
N O Terminal 1st 4s, Ser A, '53	79¾	73⅛	76⅛	— 1⅞
N O, T & M Ry 1st 6s, Ser A, '25	101½	100	101	+ ⅞
do non com inc 5s, Ser A, '35	86¾	72⅝	86	+ 7
N Y Air Br 1st 20-yr 6s, '28	104	100	102¼	+ 1
N Y Cent R R 6% cv deb, '35	106⅜	101¾	103½	— ¼
do cons 4s, 1998	83¼	76½	81½	— 1⅜
do ref & imp 4½s, 2013	88⅞	84¼	85⅞	— 2
do ref & imp 5s, 2013	98¼	92⅞	95¾	— 2
N Y Cent & Hud R 3½s, 1997	77⅜	72⅛	73¾	— 2½
do deb gold 4s, 1934	91⅝	86½	88¾	— 2⅞
do 30-yr deb 4s, 1942	90¼	84⅜	85⅜	— 2⅝
do L Shore col g 3½s, '98	76	68⅛	71½	— 2½
do do reg	71½	69	70	..
do Mich Cent col g 3½s, '98	77	71	72½	— 4½
N Y, Chi & St L 6s, ser A, '31	101	98	100¼	..
N Y C & St L 1st g 4s, 1937	90⅜	85¾	89½	— ⅜
do deb 4s, 1931	88⅞	83⅝	88	— ⅞
N Y Conn R R 1st 4½s, 1953	88⅝	84¼	86	— 2¾
N Y Dock Co 1st g 4s, 1951	80	74½	75	— 3
N Y Edison Co 1st lien & ref 6½s, 1941	112	106⅝	110¼	— 1¼
NYGas, EL,H&PCo 1st col tr gold 5s, '48	100	95½	98½	— ¾
do pur mon col tr g 4s, '49	83⅝	79⅛	82¼	— ½
N Y & Jer 1st 30-yr g 5s, '32	98⅞	94¾	96½	+ ⅛
N Y, N H & H non-conv deb 4s, 1947	53	42	42	—17⅛
do non-conv deb 3½s, '47-'48	48	35¼	33	..
do non-conv deb 3½s, 1954	47	34⅞	39½	— 7½
do non-conv deb 4s, 1955	51½	37¾	40⅜	— ⅛
do non-conv deb 4s, 1956	51¼	37	38¼	—10¾
do conv deb ctfs 3½s, 1956	48	34	37⅝	— 9⅜
do conv deb 6s, 1948	73½	52	58⅞	—11¼
do reg	70	40	57	..
do 4% debentures, 1957	43½	27	35	— 5
do 7s, 1925	81¼	54⅛	70⅝	— 8⅜
do do (francs)	71⅞	53	68⅞	..
N Y, O & W ref 1st g 4s, '92	70⅞	60	61¼	— 7⅝
N Y Rys 1st r e & ref 4s, '42	38¼	28¼	32⅝	— 1⅞
do Guar Tr Co of N Y cd	37¼	27	33	+ 3¼
do adj inc 5s, 1942	8	¾	1⅜	— 3⅜
do Bankers Tr Co cd	6½	¾	1⅛	— 3⅝
N Y State Rys 50-yr 1st cons 4½s, 1962	69	58⅛	58½	— 6½
N Y Steam 1st 25-yr 6s, Ser A, 1947	98	92	92½	— 5¼
N Y, Susq & Wn 1st ref gold 5s, 1937	40⅝	40⅛	43	— 6¼
N Y Tel 1st & gen 4½s, '39	95¼	90⅝	93⅛	— ⅝
do debenture s f 6s, 1949	108⅜	103¼	106½	— ¼
do ref gold 6s, 1941	107	102⅛	104	— 3½
N Y, W & Boston 1st 4½s, Ser 1, gtd, '46	50¼	32½	39½	— 9⅜
Niagara Falls Pow 1st 5s, '32	101	97⅛	99½	— ½
do ref & gen 6s, 1932	105½	101½	104½	..
N S 1st & ref 50-yr 5s, A, '61	71	61¼	62¾	— ⅛
N & W gen gold 6s, 1931	108½	106	106	— 2½
do 1st con gold 4s, 1996	93¼	85¼	86⅞	— 4⅛
do divl 1st lien & gen g 4s, '44	89	82⅜	88	..
do 6% conv bonds, 1929	117¾	106	107	— 6
do Poca C & C jt 4s, 1941	88⅜	84⅝	86¾	— ⅜
N Am Edi 6½s B, 1942	97	95	96	..
N Amer Edi s f g 6s, 1952	96	89½	91⅜	— 8⅛
NPRy pr ln r & l gt g 4s, '97	87	80½	81½	— 1⅜
do reg	83½	80	80¼	..
do gen ln ry & l gt 3s, 2047	62½	56⅛	57¼	— 4⅜
do ref & imp 4½s, 2047	90½	79⅝	80	—10
do ref & imp 6%, 2047	109½	102	102½	— 6⅛
do ref & imp 5s C, 2047	100	90½	90⅝	..
do ref & imp 5s D, 2047	99¼	90½	90⅝	— 9⅞
Nor Sts Pow 1st & rf 5s A, '41	93	87⅝	89½	— 3
do 1st & ref 6s B, 1941	102	98½	100¼	— ½
Northwestern Bell Tel 1st 7%, 1941	108⅛	107	107⅜	— ⅛
Northw'n T Co 1st fd gold 4½s (gtd), 1934	92½	91⅜	91⅜	— 3¼
OGDEN & L C RY 1st gtd gold 4s, 1948	97	66	68	— 1¼
Ohio Pub Ser ref 7½s, 1946	108	102¼	104½	+ 1
do ref 7s, 1947	105¼	99¾	100⅛	— ⅞
On Pwr Niag Falls 1st s f 5s, 1943	96¾	92¾	94	— 2⅝
Ont Trans 10-yr 1st s f 5s, 45	96	92¼	93⅛	— 1⅞
Oregon & Cal 1st gtd 5s, 1927	100	98⅜	99¼	— ⅝
Ore R & N cons gold 4s, 1946	89	84⅞	86¼	— 1½
Ore S L 1st con g 5s, 1946	104½	99¾	102	— ⅞
do gtd 5s, 1946	104¾	99⅞	102	— 1½
do gtd refunding 4s, 1929	93¾	90⅝	92¼	— ¼
Ore-Wash RR & Nav 1st ref 4s, 1961	82	75½	79⅝	— 1⅞
Otis Steel Co 1st 20-yr s f g 8s, Ser A, 1941	101	96	98¼	—..
do 1st 25-yr s f g 7½s, Ser B, 1947	95	90½	93	— 1¼

Name of Issue	High	Low	Last	Y'r's Net Ch'ge from 1922 closing
Pac Gas & El gen & ref 5s, '42	93¼	88	90½	— 2
Pac Pow & Lt 1st & ref 5s, '30	94	89⅝	92⅝	+ ⅝
Pac T & T 1st & col s f 5s, '37	99½	94¾	96¾	— ¾
do ref mtg g 5s, 1052	92⅛	88	90½	— ¾
Packard Motor Car Co 10-yr 8s, 1931	108⅞	106⅞	108⅞	+ 1⅜
Pan Amer Pet & Trans 1st in Marine equip 7s, 1930	104	101¾	102¼	— 1¼
do Cal Div s f 6½s, rects, '35	97¼	96⅜	96⅝	—..
Park-Lexington Leasehold gn s f 6½s, 1953	100	96	96⅜	—..
Penn R R cons gold 4s, 1943	93¼	88½	89	— 6
do cons gold 4s, 1948	91½	87¼	89	— 2¼
do stamped	90½	88¼	90⅛	..
do cons 4½s, 1960	98⅝	92½	94⅝	— 3⅜
do gen 4½s, 1965	92⅞	88	91	— ¾
do gen 5s, 1968	101¾	98⅛	99¼	— 2
do 7s secured bonds, 1930	110¾	106⅛	107⅛	— 3¼
do 6½s sec gold bonds, '36	111¼	106⅜	107½	— 3½
Peo G L & Coke Chgo 1st cons g 6s, 1943	108	103¾	103¾	— 1¾
do refunding gold 5s, 1947	93½	87	87⅞	— 4⅛
Peoria & East 1st cons 4s, '40	78	68	68	— 6½
do income 4s, 1990	30	20⅜	22	— 3½
Pere Marquette 1st 5s, 1956	98	90¾	91⅛	— 6
do 1st 4s, 1956	82½	75¾	77¼	— 4¾
Phila Balto & W 1st g 4s, '43	92½	87¾	88⅞	— 3⅝
Phil Co 1st & ref & col tr 6s, '44	101⅞	98½	99⅞	— 2
Phila Co cv deb 5½s, 1939	91½	87½	90	..
Philippine Ry Co 1st gold s f 4s, 1937	49⅞	40	40	— 6¼
Pierce-Arrow Mot deb 8s, '43	82¾	65⅛	76	— 6¼
Pierce Oil deb s f 8s, 1931	98	69⅞	82	—14
P C C & St L cons gtd gold 4½s ser A, 1940	97½	92½	93¾	+ ¼
do 4½s Ser B gtd, 1942	97⅞	93½	94	+ ⅞
do gen 5s, ser A, 1970	99⅛	93⅝	96¼	..
Pitts, Sh & L E 1st gd 5s, '40	100	97¼	98⅜	— ¼
Poc Cons Col 1st s f 5s, 1957	94⅝	90⅛	92½	— ⅛
Ptl dRy Co 1st & ref s f 5s, '30	88	84¾	85⅛	— 2⅞
Portland Ry, Lgt & Pwr 1st & ref s f conv 5s, 1942	86	80⅛	81½	— 2¼
do 1st lien & ref g 6s, 1947	96½	88⅞	88⅞	— 7⅛
do 1st lien & ref 7½s, 1946	107½	103½	103½	— 3½
Pressed Steel Car conv 5s, '33	93¾	87⅝	89½	..
Prod & Ref Cor 1st s f g 8s with war atchd	133½	108	114	— 9
do without war attached	108½	100	106	— 2
Pub S Cor N J gen s f 5s, '59	86	76½	78⅞	— 5½
Punta Ale Sug s f cv 7s, '37	124⅜	105	110½	+ 3¼
READING CO (Phila & Read C & I Co) gen gd 4s '97	88	82⅞	87⅝	+ 2⅛
do do trust cfs of deposit	88	77¼	87¼	..
do Jersey Cent coll gd 4s, '51	86	80	83	— 4
Rem Arms 1st s f 6s, Ser A, '37	96¼	96⅞	94	— ¼
Rep I & S 10-30-yr s f 5s, '40	96¼	88	94	+ ⅛
do gen & ref 5½s, 1933	94¾	86⅞	88½	..
Robbins & Meyers 1st 25-yr s f g con 7s, 1942	99	91½	91½	— 6½
Rio Gd Western 1st g 4s, '39	78¾	72	75	— 3¾
do 1st cons & col tr g 4s, Ser A, 1949	68½	59½	59½	— 6½
do 6% pr lien, 1928	100⅛	97¼	98½	— 1½
St Jos & Grd Isl 1st g 4s, '47	75⅜	69¼	73	— 3
St L I M & S gen cons Ry & Lt gold 5s, 1931	99½	93⅛	96⅞	— ¾
do unif & ref gold 4s, '29	89⅝	82¾	83½	— 4¾
do Riv & G Div 1st g 4s, '33	86	71½	72	—13
St L-Fran (Reorgan Co) pr lien 4s, 1950	70¾	65	65¾	— 5½
do 5s, 1950	85⅞	79	80	— 5⅞
do pr ln mtg gold 5½s, '42	92¾	86⅝	87⅜	— 5⅛
do cum adj Ser A 6s, 1955	80⅜	67⅝	72½	— 4⅞
do inc Ser A 6s, 1960	68⅞	53¼	58⅛	— 1¾
St L, P & Northwn 1st gd 5s, 1948	103	97⅝	98½	— 3
St L Swn 1st gold 4s bds, '89	78¾	72⅞	76	— 2⅜
do 2d gold 4s inc bonds, '89	71½	66⅜	70	— 4½
od cons gold 4s, 1932	78¼	73½	77½	— 1⅛
do 1st term & unify 5s, '52	82½	73½	76¾	— 5¼
St P & Kansas City Short Line 1st 4½s, '41	81½	72⅛	72¾	— 8⅛
do g 6s reduced to 4½s, '33	99½	94⅞	95⅝	— 2⅝
do Mont ext 1st g 4s, '37	93	88⅛	88⅛	2
St Paul Union Depot 5s, '72	95⅞	94⅝	95⅝	..
San A & Aran Pass 1st gold 4s, 1943	75¾	70¼	71¾	— 4
San Antonio Pub Serv 1st & ref 6s, '52	94¾	90	94½	..
Saks & Co s f 7s, 1942	104¾	100¼	101½	— ¾
Seaboard Air Line Ry gold 4s, 1950	60¼	53	58⅝	+ 5⅛
do adj gold 4s, 1959	45½	22¾	43⅞	+ 2⅛
do ref gold 4s, 1959	48¾	39⅞	48	+ 8
do 1st & Cons 6%, 1945	68¾	58¾	67⅞	+ 7⅜
Sharon Stl Hoop Co 1st 8%, '41	104	98	100	+ 1⅛
Sheffield Fms 1st & ref 6s, '42	101¾	99½	101	..
Sinclair Con Oil Cor 1st lien col 15-yr gold 7s, Ser A, 1937	101½	90¼	93¾	— 7⅛
do 6½s, Ser B, 1938	95	85⅛	87½	..
Sinclair Crude Oil Purchasing Co 3-yr 5½% gold n, s A, 1925	98⅞	94	97½	— ⅞
do 3-yr 6s, 1926	99½	93⅝	96⅞	..
Sinclair Pipe Line 20-yr s f g 5s interim ctfs, 1942	89½	80	81¼	— 7⅝
South Porto Rico Sugar Co 1st col s f 7s, '41	102½	98½	101	+ ¼
Southern Bell Tel & Tel 1st s f 5s, 1941	95¾	90¼	94¾	— ½
So Colo Power 6s, A, 1947	92	86	86¼	..
So Pac gold 4s (Cent Pac col), 1929	85¼	77½	83	— ½
do 4s, 1929	93½	90¼	92½	+ ⅛
do convertible 5s, '34	102½	97	98¾	— 2¾
So Pac R R Co 1st ref s f 4s, 1955	88½	83⅛	86⅛	— 1⅜

Name of Issue	High	Low	Last	Y'r's Net Ch'ge from 1922 closing
So Pac, San Fran Term 4s, 1950	83¼	79	80½	— 1⅞
Southern Ry con gold 5s, 1994	98½	95⅜	95⅜	— 1⅞
do dev and gen 4s, A, 1956	69½	66¼	69½	+ ⅝
do dev & gen 6½s, s A, 1956	102¼	100	101⅛	..
do dev & gen 6s, 1956	96¾	96½	96½	..
do Memphis div 1st gold 5s, 1996	97	90	94	— 2¼
do Mob & Ohio col 4s, 1938	79¾	74½	75⅜	— 2⅝
do St Louis div 1st gold 4s, 1951	81	75¼	78¾	— 1¼
Standard Gas & Electric conv s f 6s, 1926	99⅞	97¼	99½	+ 4⅞
Standard Milling 1st 5s, 1930	98	94⅜	96	— 1½
Standard Oil of Col 10-yr deb 7s, 1931	107	103⅞	103⅞	— 2⅛
Stl & Tube Co gen s f 7%, '51	107	100	103½	+ 1
Sugar Estates oı Oriente 1st s f g 7s, 1942	99¾	94	95¾	— 1¼
TENN C & I R R gen 5s, '51	101	98½	100⅜	+ ⅛
Tenn Copper 10-yr cv s f 6s, Ser A, 1925	101½	99¼	100¼	+ 1¼
Tenn E.ec ref 6s, 1947	95	92	93¾	..
Tex & Pac Ry 1st g 5s, 2000	96	89⅛	91¼	— 5½
Third Av Ry 1st ref 4s, 1960	62⅛	50½	54	— 6..
do adj inc 5s tax ex N Y, '60	63¼	39	43⅝	—13⅜
Tide Water Oil Co 6½s, 1931	103¾	101½	102	— 1
Tobacco Prod Corp s f 7%, '31	108½	102¼	107⅞	+ 4⅞
Toledo Edison 1st gold 7s, '41	107¾	105⅛	105¾	— ⅜
Toledo & Ohio C 1st g 5s, 1935	98¾	96	97⅛	+ ⅞
Tol Trac, L & P 3-yr 6% n, '25	96¼	93⅛	96	2
do 50-year gold 4s, 1950	77	68¼	76½	+ 3½
Union Bag & P 1st 6s, 1942	99	95	96½	¾
Union E L & P Co 1st 5s, '32	97⅛	95	96¾	+ 4¾
do ref & ext 5s, 1933	92½	88¼	93	..
do 20-yr g 6s, Ser A, 1942	102⅝	97½	98½	— 3¾
Un Pac 1st RR ld gt g 4s, '47	94⅝	88¼	91	— 1
do conv 4s, 1927	96⅜	94⅛	95½	+ ¼
do 1st & ref 4s, 2008	88	80	82	— 4¼
do sec 6s, 1928	105⅜	102¼	103⅝	— 1½
do 1st & ref 5s, 2008	100⅛	99¼	100	..
Union Tank Car Co equip tr 7% notes, 1930	105	102¼	103⅝	— ⅛
United Fuel Gas 1st 20-yr s f 6s, ser A, 1936	98	92	92½	— 5½
Un Drug Co 8% 20-yr cv, '41	113½	109¼	111¾	— 1¼
United Rys Inv Co 1st ln col tr s f 5s, Pitts issue, '26	98½	87¼	92	+ 4
U S Hoffman Machine Corp deb s f gold 8s, 1932	104½	100⅛	103¼	..
U S Real & Imp deb g 5s, 1924	100½	99	99⅞	..
U S Rub 1st & ref 5s, 1947	89¼	83⅞	84¾	— 4
Un Rys of St L 1st g 4s, '34	64½	56½	63½	— 1½
do 7½% sec notes, 1930	109¼	102½	105	— 3¾
U S Sm, R & M cv 6s notes, '26	102¼	98¾	99¾	— 1¼
U S Corp 10-60-yr s f 5s, '63	104½	100	103	— ½
Un Stores Realty Corp s f deb gold 6s, 1942	101⅞	98	98	— 1¾
Utah Light & Traction 1st & ref gold 5s, 1944	88¼	78	80½	— 7
Utah Power & Lgt 1st 30-yr 5s, 1944	92½	85¾	87⅛	— 6⅛
Vertientes Sugar s f 7s, '42	99	93	93	— 4½
Virginia-Car Chemical 1st 15-yr 5s, 1923	100¼	98¾	98¾	— 1½
do 1st mtge 25-yr sf 7s, Ser A, 1947	98	75	84	—13
do temp 15-yr s f conv 7½s, Ser A, 1937, with war attached	98⅛	54¾	72½	—20½
do do without war attached	93¼	58	68	..
Virginia Iron, Coal & Coke 1st g 5s, 1949	95½	90	90	— 5½
Va Ry & Power 1st & ref 5s, 1924	89	84	88	+ 1⅛
Va & Southwest 1st gtd 5s, 2003	93¼	92¼	91¼	— 2¼
do 1st cons 50-yr 5s, 1958	81	75⅜	75⅜	— 5½
Va Ry Co 1st 50-yr 5s, Ser A, 1962	98	90½	92⅞	— 4⅛
WABASH R R CO 1st gold 5s, 1939	99⅛	93¾	96⅞	— 1⅛
do 2d gold 5s, 1939	92¼	83	87⅜	— ⅝
do Omaha div 1st gold 3½s, 1941	69¾	62¼	68½	+ ½
Warner Sug Ref Co 1st mtg 20-yr g 7s, 1941	106	101¼	102½	— 1½
Washington Term 1st gtd gold 3½s, 1945	80	76½	79⅜	— 1⅛
Wash Water Power 1st ref s f 20-yr 5s, 1939	100	98⅛	100	+ 2
Westchester Ltg Co g stamped gtd, 1950	97¼	91	96⅝	— ¾
West Penn Pr 1st 30-yr 5s, Ser A, 1946	93	88	90½	— 2½
do 1st 40-yr 6s, Ser C, 1958	102¾	100⅛	101	— ⅜
do 1st 30-yr 7s, Ser D, 1946	106	103	104⅜	— ⅜
do 1st 5s, Ser E, 1963	89½	86½	86½	..
Western Md 1st gold 4s, 1952	65¾	56½	58½	— 5
Western Pac R R 1st 5s, 1946	83½	78	79¾	— 1¾
West Shore 1st gtd, 2361	83⅞	77	78½	— 4⅛
West Union col tr cur 5s, 1938	100	96	97	— 1
do fdg & r e gold 4½s, 1950	94	89	89¾	— 2¼
do 6½s, 1936	111⅞	106	108½	— 3
Westing Elec & Mfg 7s, 1931	108¾	105¾	107	— ⅛
Wheel & L E Ry 1st g 5s, 1926	99	97¼	99	+ ¾
do Wheel Div 1st g 5s, 1928	99	95⅜	98½	+ 4½
do ref 4½s, Ser A, 1966	62	45½	52	—12
do 1st cons g 4s, 1849	65⅛	57	60	— 4
Wickwire Spencer Steel 1st s f 7s, 1935	98	72	75	—23
Wilkes-Barre & Eastern 1st gtd g 5s, 1942	60	48	48	— 9
Wilmar & Sioux Falls 1st g 5s, 1938	101	98	99⅝	— ⅝
Wilson & Co 1st s f 6s, Ser A, 1941	102	93¼	96½	— 4½
do 10-yr conv s f 6s, 1928	98	82½	86¼	— 7¼
do 10-yr conv s f g 7½s, '31	105	93	97¾	— 5
Winchester R Arms 1st 20-yr gd 7½s, 1941	106	100⅝	100¾	— ½
Wiscon Cen Ry 5-yr 1st gen gold 4s, 1949	82	74⅛	76⅝	— 5⅛
do Sup & Dul Div & Term 1st 4s, 1936	86½	75¼	76¾	— 3¾
YOUNGSTOWN SHEET & TUBE 6s, 1943	99⅛	92	94¾	..

UNITED STATES GOVERNMENT BONDS

Beginning March 22, 1923, the Stock Exchange officially quotes Liberty bonds in units and fractions, the fractions being 32ds of a unit, and the quotations after the decimal point represent one or more 32ds.

Name of Issue	High	Low	Last	Y'r's Net Ch'ge from 1922 closing
FIRST LIB LN 15-30-yr 3½s, due 1932-47	101.30	99.3	99.6	— 1.32
do reg	101.25	99.1	99.1	..
do 4s 15-30-yr, due 1932-47	98.30	99.1	98.6	— .6
do 4¼s 15-30-yr, due 1932-47	99.6	96.22	98.9	— .26
do do reg	98.26	96.20	98.2	..
do 1st 2d cv 4¼s, 1932-47	100.00	97.5	98.10	— .20
Second Lib Loan 4s, 10-25-yr, due 1927-42	98.23	96.12	98.4	— .5
do reg	98.10	96.18	98.3	..
do 4¼s 10-25-yr, due 1027-42	99.3	96.24	98.7	— .13
do do reg	98.28	96.21	98.7	..
Third Lib Ln 4¼s, due 1928	99.14	97.25	99.10	+ .10
do reg	99.9	97.17	99.9	..
Fourth Lib Ln 4¼s, due Oct. 15, 1933-38	99.6	96.27	98.12	— .10
do reg	99.00	96.28	98.8	..
Vic Lib Ln 4¾% ser cvt g notes of 1922-23	100.10	100.00	100.00	— .11
do reg	100.2	99.23	100.00	..

Name of Issue	High	Low	Last	Y'r's Net Ch'ge from 1922 closing
U S of Am 4¼s Treas bds of 1947-1952	100.1	98.1	99.10	— .21
do reg	100.00	98.20	99.8	..
U S cons 2s registered, 1933	104¼	102½	103½	+ 1
do cons 2s coupon, 1933	103	102	103	— ¼
do 4s coupon, 1925	103½	103¼	103¼	— ⅛
do 4s registered, 1925	104	103⅛	103½	+ 1
do 3% Pan Canal loan, 1961	96¼	94½	94½	+ 1
do registered, 1961	94	92¾	92¾	..
do Pan Canal 2s, 1936, reg	103½	103½	103½	..
do Pan Canal 2s, 1938, reg	103½	103½	103½	..

FOREIGN BONDS

Name of Issue	High	Low	Last	Y'r's Net Ch'ge from 1922 closing
Argentine Nation, Govt of the, 5-yr 7s, 1927	103⅛	100	101¼	+ ⅜
Arg Rep 5s, inter loan of, 1945	85¼	77½	83½	+ 3
Austrian Govt s f 7s, 1943	93¾	85¼	86¼	..
BELGIUM, K of, 25-yr ext g l 7½s s f, '45	103½	93	97⅛	— 4⅝
do 5-yr 6% gold notes, 1925	98¾	93¼	97	— ⅝
do 20-yr s f gold 8s, 1941	103½	91	97½	— 3⅛
Bergen, C of (N'w'y), 25-yr s f g 8% bds, '45	109½	107	108½	— ½
Berne, City of (Switzerland), s f 8s, 1945	113¼	107½	108½	— 3
Bolivia, Rep of, exter 8s, 1947	94	83½	84¼	— 6¼
Bordeaux, City of, 15-yr 6s, '31	83½	69	74	— 3⅞
Brazil, U S of, 20-yr 8% ext gold loan, 1941	99	91¼	94¼	— 2⅛
do s f 7½s, 1952	104½	94¼	95⅜	— 1⅜
Brazil, U S of (Cent Ry of B elec ln), g 7s, '52	87	77½	77¾	— 7¾
CANADA, DOM OF, deb 5s, '26	101	99	99¾	+ ⅜
do do 5% bonds, 1931	101	99⅛	99¾	+ ¼
do 10-yr 5½% gd bonds, 1929	102½	100	101¼	— ⅜
do 30-yr gold 5s, 1952	99¾	97⅞	99¼	..
Chile, Rep of, ext ln 20-yr s f 8% gd bds, '41	105¾	101¼	102	— 1
do 5-yr 8s, 1926	103⅞	100½	103	+ 1¼
do ext loan s f gold 7s, '42	97	93½	94⅞	— 1⅝
do 8%, 1946	105½	100½	103	..
Chinese Govt Imp 5% Hu Kuang Ry, loan of 1911, 1951	52¾	38⅛	41½	— 9½
Christiania, C of (N'way), 25-yr s f gd 8s, '45	113	106	107¾	+ ¾
Colombia, Rep of, 5-yr 6½s, '27	96½	90	95	..
Copenhagen, C of, mun ext ln, s f 5½s, '44	92½	86½	87¾	— 2¾
Cuba, Rep of, 5s, 1944	99⅞	93	95	— 1¼
do ext debt 5s, 1949	95	87	92	+ 1¼
do 4½s external loan, 1949	87	81⅛	82	+ ½
do 5½s, 1953	99½	89	91¼	..
Czechoslovak Rep 8s, 1951	96½	75	94½	+ 8½
DANISH CONS MUN LOAN 25-yr 8% s f, Ser A, 1946	109½	106½	107	— 1¾
do, Ser B, 1946	109½	105	107⅛	— ⅞
Denmark, Kingdom of, 8% s f, 1945	110⅝	107	108	— 1½
do gold 6%, 1942	99	93	93¾	— 4¼
Dominican Rep cons adm s f 5s, 1958	102	95¼	100¼	+ 5¾
do 5½s, 1942	91	84	85½	— ¾
Dutch East Indies, 5½s, 1953	94¼	87¾	90	..
do ext gt 6s, 1947	98¼	92¼	94⅝	+ ⅝
do ext s f g 6s, 1962	97¼	92¼	94⅞	+ 2⅛
FRAMERICAN IND & DEV CORP 7½s, 1942	93¾	83¼	85	— 5
French Rep Govt of the gd ln 8%, 1945	101	88¼	94¾	— 3½
do ext loan gold 7½%, 1941	96¾	85	91	— 3½
GT BRIT & IRE, UNITED K OF, 5½% gold bonds, 1937	104½	99½	100	— 3¾
do 10-yr conv 5½s, 1929	116	106⅝	108	— 5¼
Greater Prague, City of, 7½% loan, 1952	82¾	65	76½	+ 2
HAITI REP ext s f g 6s, '52	98	86½	88¾	— 7¼
Holland-Am Line s f 6s, 1947	92	71	78	— 9½
ITALY, KING OF, 6½s, 1935	98¾	92½	98¾	+ 5
JAP GOVT 4½s ster loan, '25	94¼	90½	93⅞	+ ¼
do second ser, 1925	93⅝	90½	92½	— ⅜
do 4% sterling loan, 1931	83	75⅝	80¼	— 1⅛
Jap Oriental Dev deb 6s, '53	93½	87	88⅜	— ⅛
Jurgens (A) United (Margarine) Wks cv 6s, 1947	84½	73¾	79½	— 5
LYONS, CITY OF, 15-yr 6s, '31	83⅜	69	74	— 4½
MARSEILLES, CITY OF, 15-yr 6s, '34	83½	69	74⅜	— 4⅜
Mex Irri 35-yr s f gtd 4½s, '43	42	30	30	— 3
Mex, U S of, ext loan s f 5s, '45	58½	42⅛	46	— 6
do do large	58¼	45	45½	..
do 4s, gold, 1954	41¾	25	26½	— 9½
Montevideo, City of, s f temp gd 7s, 1952	91⅝	85	85½	— 5½
NETHERLANDS, KING OF THE, r s f 6%, 1972	102½	90⅞	96½	— 2¼
Norway, Kingdom of, 8%, 1940	112⅞	109	111⅜	— ⅛
do 30-yr s f ext 6s, 1952, ctfs	100	91¼	91¼	— 6¾
do do 6s, ctfs, 1943	96⅝	92¼	92¾	..
PARIS-LYONS-MED RY 6s, 1958	78¼	63¼	66½	— 5¼
QUEENS, STATE OF, 7%, s f, 1941	109½	103⅞	104¼	— 4¼
do 6% s f, 1947	102¾	100	100¼	— 2⅝
RIO GR DO SUL, STATE OF, 8%, 1946	100	92	92	— 6½
Rio de Janeiro, C of, 8%, 1946	97	88	88	— 9
do 8% external loan, 1947	97	85¾	87⅞	— 9⅜
SAO PAULO, CITY OF, U S BRAZIL, 8%, 1952	99¾	95	95	— 3¼
Sao Paulo, St of, 8%, s f, '36	100¼	95½	98½	..
Serbs, Croats & Slovenes, Kingdom of, 8s, '62	78¾	53½	64¼	— 5⅞
Seine, Dept of the (France), 7%, 1942	90	75	79	— 8¼
Soissons, City of, 15-yr sec gold 6s, 1936	85	66½	77	— 1
Sweden, K of, 20-yr g 6s, '39	106	101⅞	104¼	— ¾
Swiss Confed 20-yr s f 8s, 1940	119½	111½	112¼	— 6⅞
TOKIO, CITY OF (JAPAN), 5%, 1952	77½	63	64	— 8½
URUGUAY, Rep of, 8% s f, 1946	107	101	103¾	— 1½
ZURICH, CITY OF (Switzerland), s f 8s, 1945	114	108¾	111½	— 1

The Magazine of Wall Street Recommendations Yield Substantial Profits in 1923

(Continued from page 7)

Date of Issue 1923 / Stock	Price Recom-mended	Sale Recom-mended	Price	Profit	Loss
Sept. 29—(Continued)					
Willys Overland	6½	Oct. 13	6½	..	..
Tennessee Copper	9	Oct. 13	9	..	..
United Alloy Steel (3)	30	Oct. 13	30	..	..
Spicer Mfg.	14	Oct. 13	13	..	1
Atlas Tack	12	Oct. 13	11	..	1
Hendee	16½	Oct. 13	16	..	½
Wright Aero	10	Oct. 13	10	..	..
American Can (6)	94	Oct. 13	93	..	1
Continental Can (4)	49	Oct. 13	47	..	2
Asso. Drygoods (5)	75	Oct. 13	75	..	..
Savage Arms	28	Oct. 13	30	2	..
Oct. 13—Sell All Common Stocks Except Those Held Solely for Inocme					
Oct. 27—Stay Long of Money					
Nov. 10—Constructive Attitude Towards Stocks Resumed			Price Jan. 15		
Erie common	15	Held	26	11	..
Erie 1st pfd.	25	Held	34	9	..
Erie 2nd pfd.	18	Held	29	11	..
Mack Truck 1st pfd. (7)	93	Held	97	4	..
Asso. Drygoods 1st pfd. (6)	83	Held	86	3	..
Cluett-Peabody pfd. (7)	101½	Held	105	3½	..
Cuban-American pfd. (7)	95	Held	99	4	..
Amer. Steel F'dries pfd. (7)	100½	Held	103	2½	..
Allis-Chalmers pfd. (7)	91	Held	96½	5½	..
American Ice pfd. (6)	80	Held	82	2	..
General Cigar pfd. (8)	105	Held	109	4	..
General Motor (1.20)	14	Held	15	1	..
Detroit Edison (8)	104	Held	108	4	..
White Motors (4)	47	Held	55	8	..
Consolidated Gas (5)	61	Held	64	3	..
Baltimore & Ohio (5)	56	Held	60	4	..
Nov. 24—Upward Trend Again Pronounced					
Otis Elevator (8)	133	Held	144	11	..
U. S. Steel (5¼)	94	Held	101	7	..
Railway Steel Spring (8)	90	Held	104	14	..
General Electric (8)	185	Held	204	19	..
United Fruit (10)	177	Held	186	9	..
S. S. Kresge (8)	280	Held	292	12	..
Stand. Gas & Elec. (2½)	28	Held	33	5	..
Miami (2)	22	Held	22	..	..
Kennecott (3)	34½	Held	34½	..	..
Cerro de Pasco (4)	42½	Held	47	4½	..
Chile Copper (2½)	27½	Held	27½	..	..
Stand. of Cal. (2)	54	Held	64	10	..
Stand. of Ind.	58	Held	67	9	..
Stand. of N. J. (1)	33	Held	42	9	..
Asso. Oil (1½)	25	Held	31	6	..
Pacific Oil (2)	38	Held	50	12	..
Pan-American B (6)	57	Held	58	1	..
Shell Union (1)	15	Held	17	2	..
Texas Company (3)	37	Held	44	7	..
Tidewater Oil (4)	101	Held	142	41	..
Wabash pfd. A	34	Held	39	5	..
Great Northern pfd. (5)	58	Held	59	16	..
Singer, S. M. (7)	125	Held	130	5	..
Bucyrus pfd. (5)	105	Held	109	4	..
Tobacco Products A (7)	87	Held	90	3	..
Dec. 8—Hesitant Market Probable for a While					
Reading (4)	57	Held	58	1	..
Pacific Mail	9	Held	12	3	..
Union Bag & Paper	55	Held	63	8	..
American Can (6)	105	Held	110	5	..
American Woolen (7)	72	Held	78	6	..
Hudson Motors (3)	28	Held	28	..	..
Marine pfd.	34	Held	33	..	1
Fisher Body (10)	172	Held	174	..	..
Consolidated Gas (5)	58	Held	64	6	..
Texas Company (3)	39	Held	44	5	..
Dec. 22—Irregular Outlook Suggests Caution					
Kelly Springfield pfd. (8)	72	Held	88	16	..
Famous Players pfd. (8)	87	Held	91	4	..
Austin-Nichols pfd. (7)	86	Held	87½	1½	..
St. L.-Southwestern pfd. (5)	60	Held	60	..	..
Jewell Tea pfd.	78	Held	91	13	..
Wabash A	33½	Held	39	5½	..
Laclede Gas (7)	80	Held	84	4	..
Moon Motors (3½)	25	Held	26	1	..
Amer. Steel Foundry (3)	38	Held	38	..	..
Amer. La France (1)	11	Held	12	1	..
Wright Aero (1)	12	Held	13	1	..
Vivaudou (2)	13	Held	15	2	..
Sloss-Sheffield	53	Held	62	9	..
Southern Ry.	36	Held	43	7	..
U. S. Ind. Alcohol	63	Held	72	9	..

Record of Bond Financing in 1923

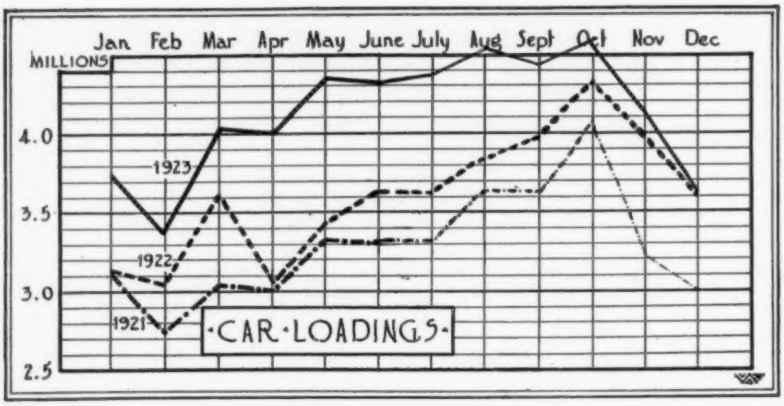
Principal Corporate Issues

Company	Amount in Millions	Class	Coupon	Maturity	Price
JANUARY					
Railroad					
Int.-Grt. Northern	13.4	1st Mtg	6	1952	97 & int.
N. Y. Central Lines	12.6	Eq Tr	4½	1923-37	99-94 & int.
N. Y., Chi. & St. L.	7.2	2d & Imp	6	1931	100 & int.
Norfolk & Western	6.0	Eq Tr	4½	1924-32	99-98 & int.
Public Utility					
Bell Tel. of Penna.	35.0	1st & Ref	5	1948	98½ & int.
Indiana Elect. Corp.	4.5	1st Mtg	6	1947	95½ & int.
Laclede Gas L. Co.	17.5	Coll & Ref	5½	1953	96 & int.
Miscellaneous					
Anaconda Copper	100.0	1st Con	6	1953	96½ & int.
Anaconda Copper	50.0	Conv Deb	7	1938	100 & int.
Armour & Co. of Del.	50.0	1st Mtg	5½	1943	96 & int.
Bethlehem Steel	25.0	Con Mtg	5½	1953	93 & int.
Fisher Body Corp.	20.0	Notes	6	1924-28	100-98 & int.
Republic Iron & Steel	10.0	Ref & Gen	5½	1953	94½ & int.
Spring Valley Water	22.0	1st Mtg	5	1943	98½ & int.
FEBRUARY					
Railroad					
Illinois Central	13.0	Ref Mtg	5	1955	99 & int.
Western Pacific	5.6	Eq Tr	5½	1924-38	100 & int.
Northern Pacific	4.5	Eq Tr	4½	1923-32	99-96 & int.
Public Utility					
Alabama Power	4.7	1st & Ref	5	1951	89½ & int.
Pacific Gas & Elect.	10.0	1st & Ref	5½	1952	98½ & int.
Philadelphia Co.	10.0	Conv Deb	5	1938	92½ & int.
M'gah'a W.-P. P. S. Co.	6.7	1st & Ref	6	1928	97.89 & int.
St. Maurice Power	9.0	1st Mtg	6½	1953	99½ & int.
Miscellaneous					
Sinclair C. O. Pur. Co.	20.0	Notes	6	1926	99 & int.
MARCH					
Railroad					
D. & R. G. Western	4.0	Eq Tr	5½	1927-36	100 & int.
N. Y., Lack. & West.	10.0	1st & Ref	4½	1973	96¼ & int.
Pennsylvania R. R.	31.5	Eq Tr	5	1924-38	99½ & int.
Seaboard Air Line	6.6	Eq Tr	6	1923-35	100 & int.
Public Utility					
Am. Pr. & Lt.	5.0	Deb	6	2016	95½ & int.
Consol. P. & W. Co.	7.0	1st & Ref	6½	1943	99½ & int.
South. Cal. Edison	10.0	Gen & Ref	5½	1944	97½ & int.
Stand. Gas & Elec.	6.0	Conv Deb	6½	1933	98 & int.
West Penn Power	6.0	1st Mtg	5	1963	90 & int.
Miscellaneous					
American Chain Co.	7.5	Deb	6	1933	97½ & int.
Eagle (J. H. & C. K.)	5.0	1st Mtg	6½	1938	100 & int.
Oriental Develop. Co.	19.9	Deb	6	1953	92 & int.
Westinghouse Bldg.	4.5	1st Mtg	6	1926-29	100 & int.
APRIL					
Railroad					
Ches. & Ohio	7.8	Eq Tr	5	1924-38	5.30% basis
Chic., R. I. & Pac.	8.5	Eq Tr	5	1923-38	5.25% basis
Ill. Central	14.0	Eq Tr	5	1926-38	98½ & int.
Public Utility					
Ill. Pr. & Light	30.0	1st Ref	6	1953	96½ & int.
Ill. Pr. & Light	10.0	Deb	7	1953	100 & int.
Los Ang. Sub. G. Cp.	4.0	1st Coll	7	1938	100 & int.
Pub. Serv. El. Power	14.0	1st Mtg	6	1948	97½ & int.
Miscellaneous					
Am. Smelt. & Ref.	10.0	1st Mtg	5	1947	99½ & int.
Certain-teed Prod.	8.0	Notes	6½	1925-43	100 & int.
Federal Sugar	5.0	1st Mtg	6	1933	98 & int.
Union Oil Co.	7.5	Notes	6	1924-26	100¼ & int.
MAY					
Railroad					
Chic., Mil. & St. P.	13.5	Eq Tr	5½	1924-38	98½ & int.
Chic., R. I. & Pac.	7.0	Notes	5½	1926	99 & int.
Erie Railroad	7.8	Eq Tr	6	1923-38	100-99 & int.
Virginian Ry.	5.7	Eq Tr	5	1924-38	99-95 & int.
Public Utility					
Counties Gas & Elec.	6.6	1st & Ref	6	1953	98 & int.
Potomac Elec. Pow.	4.0	Gen & Ref	6	1953	101½ & int.
Miscellaneous					
Assoc. Sim. Hdwe Cos.	10.0	Notes	6½	1933	98 & int.
Mer. Arcade & O. Bldg.	4.0	1st Mtg	6½	1925-42	100 & int.
A. O. Smith Corp.	5.0	1st Mtg	6½	1933	100 & int.
JUNE					
Railroad					
Chi. & N. W.	9.9	Eq Tr	5	1924-38	5.25% basis
Public Utility					
Cen. States El. Corp.	4.0	Notes	7	1925	100 & int.
Ill. Bell Tel.	50.0	1st Ref	5	1956	95¼ & int.
Northern Can. Pr. Co.	4.5	1st Mtg	6½	1938	99½ & int.
Miscellaneous					
B. Franklin H. (Phil.)	4.3	1st Mtg	6	1933	100 & int.
De Bardeleben C. Corp.	4.0	1st Mtg	6½	1924-43	100-99 & int.
Long-Bell Lumber	7.5	1st Mtg	6	1943	94 & int.
Pure Oil Co.	12.0	Notes	6½	1933	99 & int.
Sinclair Con. Oil Corp.	25.0	Notes	6½	1938	94 & int.
Stand. Oil Cal.	25.0	Notes	5	1924-33	100-98 & int.
Sun Oil Co.	4.0	Notes	6	1925	100 & int.
Wheeling Steel	8.0	Conv	6	1926	100 & int.
JULY					
Railroad					
Canadian Nat. Ry. Co.	22.5	Eq Tr	5	1924-38	99½-99 & int.
Hocking Val. Ry.	4.0	Eq Tr	5	1924-38	5.45% basis
Cleveland Union Term.	5.0	1st Mtg	5	1973	94½ & int.
Public Utility					
Interstate Pub. Service	7.1	1st Ref	6	1948	91½ & int.
Virginia-W. Pr. Co.	3.5	1st Mtg	6	1953	95 & int.
Miscellaneous					
Youngstown S. & Tube	40.0	Deb	6	1943	99 & int
AUGUST					
Railroad					
Louisville & Nash.	14.0	1st Ref	5	2003	5¼% basis
Louisville & Nash.	6.0	Eq Tr	5	1924-38	5¼% basis
N. Y., Chi. & St. L.	4.2	Eq Tr	5	1924-38	99.76-95.92
Public Utility					
Nor. Am. Edison	8.0	2nd Mtg	6½	1948	98½ & int.
Los Ang. Gas & Elec.	4.0	Gen Ref	6	1942	99½ & int.
Mil. Elec. Ry.	10.0	1st Ref	6	1953	98½ & int.
Miscellaneous					
Associated Oil Co.	24.0	Notes	6	1935	100 & int.
Park-Lexington Corp.	5.5	1st Mtg	6½	1953	100 & int.
SEPTEMBER					
Railroad					
Union Pac.	20.0	1st Ref	5	2008	99½ & int.
Public Utility					
Pac. Gas & Elec.	10.0	1st Ref	5½	1943	95½ & int.
Ohio Power Co.	6.0	1st Ref	6	1953	99 & int.
Miscellaneous					
Cal. Petroleum Corp.	8.0	Notes	6½	1933	96½ & int.
Willys-Overland Co.	10.0	1st Mtg	6½	1933	98 & int.
OCTOBER					
Railroad					
Great Northern Ry.	8.6	Eq Tr	5	1924-38	5.2-5.5% basis
Kan. City Ter. Ry.	10.0	Notes	5½	1926	99½ & int.
N. Y. Cent. Lines	17.3	Eq Tr	5	1924-37	5.25-5.50% basis
Pere Marquette Ry.	12.5	1st Mtg	5	1956	93¾ & int.
Public Utility					
Alabama Power Co.	6.0	1st Ref	6	1951	99 & int.
Phila. Elec. Co.	10.0	1st Ref	5½	1953	98½ & int.
Pub. Ser. of Colo.	5.0	1st Ref	6	1953	93 & int.
Southern Calif. Ed.	11.5	Ref	6	1943	98½ & int.
Miscellaneous					
Book-Cadillac Prop.	9.0	1st Mtg	6½	1926-43	100 & int.
Int. Match Corp.	15.0	Deb	6½	1943	94½ & int.
Pillsbury Flour Mills	6.0	1st Mtg	6	1943	95 & int.
NOVEMBER					
Railroad					
Baltimore & Ohio	7.0	Eq Tr	5	1925-38	95-99 & int.
Canadian Pac.	5.0	Deb	4	(perpetual)	79½ & int.
Chicago & N. W.	15.2	1st Ref	5	2037	93½ & int.
Southern Pac.	23.1	Eq Tr	5	1928-38	97⅜ & int.
Southern Railway	20.0	Gen Mtg	6	1956	96½ & int.
Public Utility					
Ill. Pr. & Lt. Corp.	5.0	1st Ref	6	1953	98½ & int.
Minnesota P. & Lt. Co.	8.3	1st Ref	6	1950	97¾ & int.
Northern States Pr. Co.	10.0	Notes	6½	1933	98½ & int.
Penn. Cent. L. & P. Co.	10.8	1st Ref	6	1953	98 & int.
Miscellaneous					
Gen. Cigar Co.	7.7	Notes	6	1927-37	100-95 & int.
Webster Mills	5.5	Notes	6½	1933	99 & int.
DECEMBER					
Railroad					
St. Paul Union Depot.	12.5	1st Ref	5	1972	94½ & int.
Public Utility					
C'nwealth Edis'n (Chi.)	15.0	1st Coll	5	1953	92½ & int.
Northern States Power.	8.5	1st & Gen	6	1948	97½ & int.
Pub. S. Co. of Nor. Ill.	10.0	1st Ref	5½	1962	92 & int.
West Penn Power	7.5	1st Mtg	5½	1953	95⅛ & int.
Miscellaneous					
Am. Furn. M. Bldg. C.	5.0	1st Mtg	6½	1943	100 & int.
Lehigh & W.-Barre C.	10.0	Notes	5½	1925-34	100 & int.
Straus Bldg. (Chi.)	12.0	1st Mtg	6½	1928-50	100 & int.

Railroads

Will Railroad Prosperity Continue?

Past Year One of Great Progress, Marked by Large Earnings and Huge Expenditures—Factors to Be Considered in Estimating the Outlook



IT will be interesting to note the arguments advanced by radical members of Congress in their next series of attacks on our transportation system. For the accomplishments of the railroads during the past year have left these members woefully short of ammunition. There was no slowing down or hampering of business due to car shortages, no freight congestion, and no plethora of complaints concerning delayed shipments. And all this in the face of a record volume of traffic!

The fact is that transportation facilities were entirely adequate. Increased industrial activity and a greater freight movement had been anticipated, and proper steps taken to provide for it. Every effort was made by officials to place their lines on a high plane of efficiency, to purchase sufficient equipment to handle the probable peak load demand, and enlarge terminals, so as to facilitate the handling of freight. As a result, both merchants and manufacturers found the railroads able to meet their maximum requirements. Even the farmers were well supplied with freight cars for the movements of their crops, the surplus of box cars in the grain-producing States being the greatest in history.

In addition to these more obvious contributions to the expansion of business, there was the expenditure by the railroads of billions of dollars in the upbuilding of property and additions to equipment. That their demands were an important factor in the business revival is beyond question. It may be pointed out, for instance, that over 30% of all steel produced by American mills during 1923 went directly or indirectly into railroad consumption, and that the combined steel takings of all roads showed a gain of approximately 65% over the previous year.

Efficiency of Operations

Practically every indication of relative operating efficiency pointed toward improvement during the past year. A favorable percentage of good order equipment is no less important than an adequate number of cars, for handling a large volume of traffic. Realizing this, the carriers bent every effort toward reducing the proportion of unserviceable equipment to the lowest point possible. The percentage of unserviceable locomotives and freight cars on December 1st, last, amounted to but 14.7% and 6.8%, respectively, compared with 22.4% and 10% on December 31st, 1922. The number of new locomotives and freight cars put in service also reached record figures.

Not only were cars loaded in greater quantities, but there was a larger number of cars per train, as well. The average length of haul and the traffic density were both increased to a substantial extent. Although the number of revenue tons carried increased over 37% in the first nine months, compared with the corresponding period of 1922, the number of tons of coal consumed for fuel increased but 9%, resulting in a large saving in transportation expenses.

A reduction in operating ratio, however, tells the real story of increased efficiency. With the exception of coal, expenses were uniformly higher than in 1922, wages were higher, a greater number of men were on the payrolls, and on the whole, there was no cut in maintenance expenditures. The majority of roads spent more money on property and equipment than in the previous year, and the ratios of maintenance expenses to gross were higher. In view of these facts, as indicated by Class I records, a 77.8% ratio of operating expenses to gross revenues for the first ten months of the year was of particular significance when compared with the 79.6% ratio for the corresponding period of 1922.

Return on Invested Capital

Were it not for these accomplishments, railway earnings would not have been nearly so favorable. Due to the lower freight rates in effect, gross revenues did not rise appreciably. Gross for the first ten months increased but 15% over the corresponding period of 1922, yet more efficient operations provided a gain of 33.7% in net operating income.

What was the return on invested capital? From incomplete figures it would appear that the carriers earned about 4.7% on the investment, compared with the 5.75% allowed by the Interstate Commerce Commission. The return in 1922 was 3.6%. Complete figures for the full twelve months of 1923 may show the highest net operating income ever reported, and at any rate, it is almost certain to approximate one billion dollars. This would be comparable to $1,040,000,000 in 1916, the only year in which the billion-dollar mark was passed.

While the railroads were fairly prosperous as a whole during 1923, it is no doubt realized that many individual carriers made unsatisfactory showings. Others did remarkably well.

It must be admitted that even those carriers in a position to commence or increase dividend payments were not over liberal with stockholders. There was a tendency among most boards of directors to adopt a very conservative policy, and avoid the possibility of playing into the hands of lower freight rate propagandists. In many cases, earnings were sufficient to have allowed initial disbursements or large extras, but with few exceptions, they were used for strengthening financial position and providing new equipment. Although this action has been viewed unfavorably by many, particularly the holders of those stocks paying no dividends whatsoever, it should be remembered that the value of their holdings were substantially increased. Those who have faith in the future for the railroads should not complain.

With a year of progress behind and a favorable present situation, there can be but one explanation of the investment

COMPARATIVE INCOME ACCOUNTS AND FINANCIAL STRUCTURES

(IN THOUSANDS OF DOLLARS)

	*Year	Gross Oper. Revenue	Oper. Expenses	Ratio of Maint. to Gross %	Net Oper. Income (a)	Other Income	Total Income	Fixed Charges	Balance Available for Pfd.	Pfd. Div'ds	Times Earned	Earned Per Share Com.	Surplus for Year
TRANSCONTINENTAL													
Atchison	1923	$239,000	......	j38.1	$47,000	$6,500	$53,500	$13,000	$40,500	$6,209	6.5	$15.50	$20,700
	1922	224,000	165,900	38.3	39,900	6,700	46,600	12,300	34,300	6,209	5.5	12.40	14,500
	1921	228,925	$173,218	36.8	41,268	5,295	46,563	13,018	33,545	6,209	5.4	12.15	13,818
So. Pacific	1923	288,000	......	30.0	55,000	9,600	64,600	23,500	41,100	No Preferred		11.70	20,400
	1922	262,500	193,600	32.4	46,200	9,600	55,800	23,200	32,600	.....	...	9.47	11,900
	1921	269,494	212,572	33.9	35,947	14,849	50,796	24,679	26,117	No Preferred		7.60	5,478
Union Pacific	1923	211,000	......	33.7	40,600	16,000	56,600	17,000	39,600	3,982	9.9	15.90	13,400
	1922	192,900	143,800	34.3	33,500	15,700	49,200	16,900	32,300	4,000	8.1	12.75	6,100
	1921	181,446	131,602	33.0	33,856	13,655	47,511	16,210	31,302	3,982	7.8	12.29	5,090
NORTH WESTERN													
Chic. & N. West.	1923	159,700	......	37.7	15,300	4,700	20,000	11,600	8,400	1,568	5.6	4.00	1,100
	1922	146,100	119,200	34.1	17,000	3,300	20,300	11,400	8,900	1,500	6.0	5.05	72
	1921	144,775	129,091	37.6	6,651	4,260	10,911	12,157	d1,245	1,568	...	.....	.....
Gt. Northern	1923	121,800	......	32.3	25,000	10,700	35,700	17,000	18,700	g	...	7.60	5,600
	1922	103,400	79,600	31.6	17,300	10,500	27,800	16,900	10,900	.....	...	4.35	d2,200
	1921	101,317	80,497	34.5	12,866	31,731	44,597	16,128	28,470	g	...	11.41	11,007
No. Pacific	1923	95,000	......	37.5	17,700	11,300	29,000	15,600	13,400	No Preferred		5.35	1,000
	1922	96,100	72,600	32.1	19,400	11,300	30,700	15,700	15,000	.....	...	6.05	2,600
	1921	94,538	77,631	38.1	10,844	26,553	37,396	15,331	22,065	No Preferred		8.90	4,705
St. Paul	1923	169,300	......	37.1	19,700	1,600	21,300	21,000	300	.....	...	.....	300
	1922	156,900	129,600	36.2	13,300	1,600	14,900	20,800	d5,900	.....	...	.....	d6,100
	1921	146,766	127,957	36.4	5,117	1,527	6,644	19,885	d13,241	.....	...	.....	.....
SOUTH WESTERN													
f Mo., Kan. & T.	1923	55,800	......	38.1	10,200	700	10,900	7,000	3,800	.....	2.4	2.90	3,900
	1922	55,000	39,700	32.3	10,400	600	11,000	6,900	4,100	.....	2.5	3.10	4,100
	1921	63,021	50,056	37.5	8,781	849	9,630	6,956	2,614	.....	1.5	1.20	2,674
Rock Island	1923	129,600	......	35.1	14,700	800	15,500	11,100	4,400	3,568	1.3	1.10	832
	1922	125,100	100,600	33.4	14,600	600	15,200	11,000	4,200	3,500	1.2	.95	700
	1921	139,272	112,953	35.4	15,334	2,418	17,752	11,971	5,731	3,568	1.6	2.95	2,212
Mo. Pacific	1923	115,000	......	41.5	8,900	2,500	11,400	12,200	d800	.....	...	.....	d800
	1922	100,000	84,700	38.3	8,100	2,500	10,600	12,100	d1,500	.....	...	.....	1,500
	1921	109,745	92,042	37.4	9,884	3,153	13,037	11,600	1,437	.....	.4	.....	1,437
COAL—GROUP A													
Baltimore & Ohio	1923	258,000	......	35.8	43,800	6,200	50,000	25,600	24,400	2,354	10.3	15.50	20,200
	1922	200,800	165,000	35.7	23,700	6,200	29,200	25,500	3,700	2,300	1.6	1.35	1,600
	1921	198,622	163,800	35.1	24,501	5,700	30,201	25,585	4,616	2,354	1.9	1.50	2,262
Ches. & Ohio	1923	101,500	......	40.2	18,600	2,500	21,100	10,400	10,700	812	13.2	14.20	7,400
	1922	83,500	66,100	39.7	14,400	2,500	16,900	10,400	6,500	e204	8.1	10.05	3,800
	1921	83,688	66,603	38.4	13,661	1,120	14,782	10,000	4,782	No Preferred		7.65	3,526
Norfolk & West.	1923	95,400	......	40.1	18,500	1,200	19,700	5,300	14,400	920	15.7	11.20	3,500
	1922	90,300	68,000	39.8	18,600	1,200	19,800	5,200	14,600	900	17.0	10.95	3,700
	1921	80,760	64,006	38.5	14,870	1,259	16,129	5,554	10,575	920	11.5	7.94	1,149
GROUP B													
Del. & Hudson	1923	46,600	......	36.5	6,400	3,700	10,100	5,400	4,700	No Preferred		11.30	900
	1922	37,800	35,600	44.2	1,200	3,700	4,900	5,300	d400	.....	...	.....	d4,300
	1921	45,777	38,825	40.0	6,759	3,433	10,192	5,254	4,937	No Preferred		11.62	1,112
Del., Lack. & W.	1923	88,400	......	33.5	13,300	5,200	18,500	6,400	12,100	No Preferred		7.00	2,000
	1922	74,600	63,700	35.6	6,900	5,200	12,100	6,400	5,700	.....	...	3.40	d4,400
	1921	85,978	67,872	33.8	13,284	10,978	24,262	7,100	17,162	No Preferred		10.15	3,651
Erie	1923	133,300	......	38.2	17,500	8,300	25,800	15,000	10,800	2,556	4.2	5.00	10,800
	1922	106,900	100,100	42.5	600	10,000	10,600	15,000	d4,400	.....	...	.....	d5,300
	1921	113,428	106,117	41.4	1,162	11,328	12,490	14,121	d1,631	.....	...	.....	.....
SOUTHERN													
Southern Ry.	1923	152,700	......	33.6	27,700	4,500	32,200	16,200	16,000	1,500	10.6	10.90	14,500
	1922	128,500	97,200	30.5	20,500	4,500	25,000	16,100	8,900	1,500	6.0	6.15	7,400
	1921	128,715	105,829	33.2	13,972	4,239	18,211	16,184	2,026	c	.6	.....	2,026
Louisville & Nash.	1923	136,700	......	38.7	20,900	2,900	23,800	9,900	13,900	No Preferred		11.90	8,500
	1922	121,100	99,600	38.7	17,600	2,800	20,400	9,800	10,600	.....	...	9.05	5,400
	1921	117,486	107,409	44.1	5,760	2,900	8,659	9,000	d337	No Preferred		.....	.....
Atl. Coast Line	1923	80,700	......	34.7	16,700	4,600	21,300	7,400	13,900	10	...	20.25	9,100
	1922	70,800	52,000	32.1	14,400	4,500	18,900	7,400	11,500	10	...	16.90	6,600
	1921	66,731	58,006	....	5,039	4,151	9,191	7,400	1,791	10	...	2.60	d3,020
Illinois Central	1923	185,200	......	38.9	24,300	4,200	28,500	13,200	15,300	600,000	25.5	13.25	7,100
	1922	154,900	119,100	36.7	25,100	4,100	29,200	13,100	16,100	441	25.1	14.30	7,900
	1921	141,127	116,852	40.4	17,542	4,926	22,468	12,317	10,151	No Preferred		9.29	2,500
EASTERN													
N. Y. Central	1923	419,000	......	36.5	72,000	20,000	92,000	49,500	42,500	No Preferred		15.25	29,600
	1922	316,600	250,400	37.2	50,900	19,500	70,400	49,300	21,100	.....	...	7.70	7,600
	1921	292,131	221,768	31.9	54,965	15,004	69,979	52,802	17,177	No Preferred		6.68	4,097
Penn. R. R.	1923	771,600	......	38.4	82,400	29,500	111,900	70,500	41,400	No Preferred		4.15	12,700
	1922	646,300	534,100	38.0	73,400	29,100	102,500	70,100	32,400	.....	...	3.25	3,700
	1921	500,175	430,759	38.6	41,222	27,000	68,222	54,951	13,271	No Preferred		1.32	d6,606
N. Y., N. H. & H.	1923	134,000	......	36.5	12,400	6,300	18,700	23,400	d4,700	No Preferred		.....	.....
	1922	123,200	100,000	34.8	12,100	6,300	18,400	23,300	d4,900	.....	...	.....	4,900
	1921	116,405	106,402	....	740	6,217	6,957	22,283	d15,326	No Preferred		.....	.....

a After taxes and equipment rentals.
b Stock issued in April, 1922, increased in Oct., 1923.
c The 5% preferred dividend was passed on December 30, 1920, and resumed on November 15, 1922.
d Deficit.
e Preferred stock issue created in 1922. No. of times earned figured on basis of annual requirements.
f 1921 and 1922 earnings are figured on basis of new capitalization.
g Only class of stock otustanding is the preferred.
h On the basis of the participating provisions of the preferred stock.
j All maintenance ratios for 1923 are based on I. C. C. figures for the first ten months of the year.
* Earnings for 1923 as estimated on basis of first eleven months' earnings.

*COMPARATIVE CONDITION OF EQUIPMENT AND CAR SHORTAGES

Name of Road	*Year	Average number of locomotives on line daily. No. serviceable	No. unserviceable	Per cent Unserviceable ‡	Average number of freight cars on line daily. Owned & borrowed	% Unserviceable	Surplus number of cars as of Dec. 31, '23
Atchison	1923	804	177	18.1	64,919	5.1	10,253
	1922	744	228	23.5	64,212	5.3	
	1921	773	212	21.5	58,975	8.8	
Southern Pacific	1923	652	140	17.7	48,259	4.5	4,914
	1922	635	190	23.0	39,175	6.6	
	1921	616	182	22.8	40,216	6.9	
Union Pacific	1923	509	64	11.2	28,759	7.7	1,420
	1922	458	122	21.1	26,309	4.7	
	1921	438	108	19.7	25,930	7.8	
Chicago & Northwestern	1923	871	197	18.5	76,703	7.2	2,438
	1922	729	299	29.1	76,676	8.6	
	1921	786	282	26.4	73,027	7.9	
Great Northern	1923	653	108	14.2	57,726	7.5	11,497
	1922	549	214	28.0	48,833	7.1	
	1921	633	153	19.5	53,251	10.0	
Northern Pacific	1923	582	152	20.7	46,148	6.1	9,700
	1922	564	154	21.5	35,527	12.8	
	1921	583	144	19.8	43,017	14.8	
St. Paul	1923	950	175	15.6	77,941	6.4	3,560
	1922	804	276	25.5	75,975	14.4	
	1921	864	218	20.2	75,714	17.3	
Missouri, Kansas & Texas	1923	24.8	81	50.7	27,837	9.3	2,098
	1922	97	92	48.6	12,250	7.3	
	1921	131	46	26.2	12,530	5.1	
Rock Island	1923	53.9	204	27.4	57,500	7.0	11,571
	1922	526	200	27.5	44,317	14.3	
	1921	591	165	21.8	48,406	11.6	
Missouri Pacific	1923	451	161	26.3	49,300	6.4	1,008
	1922	378	217	36.5	51,359	9.6	
	1921	420	178	29.2	53,237	8.2	
Baltimore & Ohio	1923	1,030	202	15.8	104,515	5.1	12,600
	1922	999	350	25.9	111,861	12.6	
	1921	1,030	362	26.0	100,311	13.1	
Chesapeake & Ohio	1923	424	106	20.0	40,452	6.2	1,982
	1922	361	169	31.8	52,046	12.8	
	1921	468	90	16.1	49,449	11.0	
Norfolk & Western	1923	531	147	21.7	39,353	3.7	1,529
	1922	543	172	24.1	38,607	3.9	
	1921	602	106	15.0	36,762	9.0	
Delaware & Hudson	1923	252	47	15.8	15,745	5.1	...
	1922	250	61	19.5	17,702	7.9	
	1921	277	37	11.9	16,602	10.5	
Delaware, Lackawanna & West.	1923	287	68	19.2	26,462	3.5	799
	1922	254	110	30.3	22,458	6.3	
	1921	301	55	15.5	25,664	14.3	
Erie	1923	664	138	17.2	48,366	6.9	5,179
	1922	456	295	39.3	61,451	11.9	
	1921	561	179	24.2	56,006	19.7	
Southern Railway	1923	813	134	14.2	60,754	3.3	2,949
	1922	798	245	23.5	64,473	17.6	
	1921	884	234	20.9	59,976	11.6	
Atlantic Coast Line	1923	370	64	14.8	31,878	3.2	5,347
	1922	330	102	23.6	25,139	16.7	
	1921	289	126	30.4	30,251	19.3	
Louisville & Nashville	1923	615	86	12.3	59,325	6.9	5,994
	1922	528	159	23.2	46,157	12.0	
	1921	581	83	12.6	54,358	24.7	
Illinois Central	1923	761	127	14.3	70,534	5.0	3,398
	1922	731	91	11.1	64,391	6.0	
	1921	728	88	10.7	63,111	8.6	
New York Central	1923	1,328	358	21.2	140,748	6.9	9,999
	1922	1,035	...	40.8	145,987	11.7	
	1921	1,127	617	35.4	139,996	21.5	
Pennsylvania	1923	2,966	552	15.7	287,679	5.4	44,836
	1922	2,464	832	25.3	296,839	9.8	
	1921	2,561	922	26.7	285,266	15.4	
N. Y., N. H. & Hartford	1923	302	75	19.8	38,230	19.2	...
	1922	279	88	24.1	40,239	18.9	
	1921	300	88	22.7	40,237	22.9	

* As of Nov. 30, 1923, and Oct. 31, 1922 and 1921. Figures compiled by I. C. C.
† Surplus number of cars.
‡ Percentage unserviceable is not based on figures in this table, but on total amount of freight locomotives owned.

public's apathy toward railroad shares. It is the fear of what lies ahead. One hears, on all sides, of an expected decline in volume of traffic during 1924, and what is more, that adverse legislation will be enacted by the Congress now in session. The atmosphere is also permeated with opinions to the effect that involuntary consolidations will be forced on the carriers. The issue is now before the U. S. Supreme Court for final decision.

But to consider each of these points separately. Presuming that there is to be a decline in railroad traffic, the outlook even then need not be alarming. The years of greatest revenues have by no means always yielded the greatest profits. To recall 1920, when revenues were at record levels and yet income was practically nil. The roads have entered the current year in a better physical and financial condition than they have been in for years. Worn-out equipment has been wiped off the books, which will mean a reduction in maintenance outlay for the immediate future, and essential maintenance on new equipment will be very light. The improved condition of railroad property will also be reflected in savings on transportation costs this year.

When the situation is closely analyzed, there does not seem to be much likelihood of a large decline in traffic. It is much too early to hazard an opinion as to the volume of crop movements, but judging from the industrial outlook, transportation requirements from other sources should be fairly large. There has been scant let-up in building activity and there are no apparent indications of any reduction in building operations taking place this year. Production is being well maintained in the motor industry, demand for steel promises to be of fairly substantial proportions, and finally, the railroads themselves are to be in the market for another record volume of equipment and supplies, thus adding additional stimulus to business.

In regard to adverse legislation, the only possibility appears to be small fare reductions. As previously mentioned, the radical element in Congress has very little else to demand at this time. And in his message to Congress, the President stated in unmistakable terms that no rates could be placed in effect that would not yield the carriers a fair return on their investment. Some of the roads that earned in excess of 5.75% on their invested capital last year, could easily stand rate reductions on certain commodities without seriously impairing their earning power. On the other hand, the majority of roads failed to show a "fair return" particularly those serving the large agricultural districts. Chief among these are Great Northern and Northern Pacific, both of these roads having been compelled to reduce their dividend rates in 1922. Last year Chicago & Northwestern reduced its dividend and Colorado & Southern passed it entirely.

Under these circumstances, there cannot be much likelihood of a future reduction in grain rates. It is maintained that the grain farmer cannot afford to pay present rates, and that they are too high as compared with prices received for agri-

(Please turn to page 67)

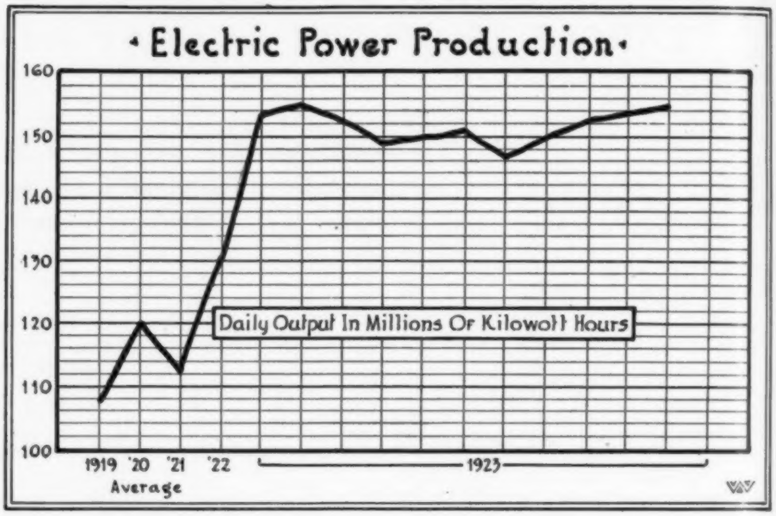
Public Utilities

How the Public Utilities Fared in 1923

Past Year One of Continued Progress—Production Costs Lower—The Traction Situation—Plans for "Superpower"

THE year 1923 was one of steady progress for the public utilities as a group. The pronounced increase in industrial activity, as compared with the several years previous and the general state of prosperity prevailing in this country, resulted in larger demands for all classes of public utility service. Power and light companies made definite strides forward, gas companies reported the biggest business in their history, and the traction companies were able to improve their situation in many ways.

Viewing the industry as a whole, the outstanding development was undoubtedly the continued betterment of relations with the public in general. The attitude of the average citizen toward public utilities has changed to a remarkable extent within the past few years, and 1923 probably registered the greatest change of all. There was no cry for public ownership, at least only in isolated instances, and many municipally-owned plants reverted back to private ownership. It is worthy of note that the City of Detroit has had plans of long standing to build a 12-million dollar plant for the purpose of supplying all the city's municipal electric current requirements, but no definite action was taken last year toward putting these plans into effect. Detroit has seemingly paused to fully consider the advisability of permitting private companies now operating there to furnish her growing needs for service.



It would appear that the public is arriving at a better understanding of the problems that confront public utility operators, and are no longer prejudiced on a wholesale scale by the rampant ravings of self-seeking politicians. The gradual let-down in political condemnation of public utility systems has been noticeable. While it is true that adverse legislation was passed last year by the legislature of the State of New York and several other States, in the majority of cases the courts have failed to uphold these laws on the basis of the fact that they were either unconstitutional or confiscatory.

Undoubtedly an important factor in this change of sentiment on the part of the public at large has been the success of customer ownership campaigns. During 1923, as in the several years preceding, many companies offered their securities to the actual users of their service rather than resorting to the easier method of raising capital—an appeal to bankers. The interest aroused on the part of the

PERFORMANCES OF POWER COMPANIES

(In Millions)

	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923
PACIFIC GAS & ELECTRIC:											
Total revenues	15.3	16.9	18.5	18.6	19.8	22.5	25.9	34.4	36.9	38.5	39.7
Operating income	6.0	7.0	9.3	9.0	8.2	9.5	9.6	11.0	12.6	15.1	16.5
Net income	1.2	2.6	4.2	4.3	3.1	3.0	3.3	3.9	4.9	6.5	6.6
*Earned per share of com. stk.	2.0	6.3	9.4	8.6	5.0	4.6	5.3	6.3	8.3	11.5	10.25
P. S. C. OF N. J.:											
Total revenues	34.6	36.0	37.4	42.5	47.2	53.0	59.1	72.3	75.3	78.3	†8.5
Operating income	17.8	18.2	17.7	19.4	20.7	24.0	23.0	25.8	31.0	25.7	†3.5
Net income	2.2	1.6	1.9	2.9	2.4	1.8	1.0	2.2	3.6	5.5	†5.7
*Earned per share of com. stk.	9.0	6.5	7.8	11.7	7.9	6.0	1.8	5.1	9.1	14.1	†6.0
MONTANA POWER:											
Total revenues	3.5	3.7	4.2	6.2	6.9	7.5	6.7	7.8	6.0	7.2	†8.1
Operating income	2.4	2.5	3.0	4.7	4.9	5.1	4.3	5.1	5.3	4.4	†5.0
Net income	1.5	1.3	1.7	3.1	3.1	3.1	2.3	3.1	1.6	2.5	†3.4
*Earned per share of com. stk.	3.1	2.4	3.7	8.4	7.4	6.2	3.9	5.3	2.0	3.8	†7.0
DETROIT EDISON:											
Total revenues	5.5	6.5	7.8	10.1	12.3	13.8	16.5	22.0	23.3	26.4	31.7
Operating income	2.3	2.8	3.5	4.6	4.4	4.5	5.1	4.9	7.7	9.5	11.9
Net income	1.1	1.4	1.8	2.7	2.5	2.3	2.5	2.1	2.9	3.6	5.1
*Earned per share of com. stk.	10.1	10.5	13.7	14.6	10.2	9.1	9.7	7.6	10.2	11.1	11.85

* In dollars per ahsre. † Estimated.

customers who are also stockholders has gone a long way toward making for the good relationship between the public and the utility.

Electric Railway Operations

In a review of the electric railways in 1923, the fact that stands out most prominently is the great effort made by most companies to put their properties on a self-supporting basis. Some were fortunate enough to secure higher rates of fare and were thus aided in their endeavors, while others, and notable among these the Interborough Rapid Transit Company, had to make the most of the nickel fare. In certain parts of the country, the attitude toward this particular branch of the public utility industry had not changed to such an extent as to allow revenues sufficient to show a fair return on capital invested.

One event of rather pronounced importance was the traction troubles of the Public Service Corporation of New Jersey. The street-car operators of this company went on strike for higher wages on August 1, 1923, and a large number of independent bus operators rushed in to fill the public need for transportation. To settle the strike the company offered to absorb these bus lines and continue to operate them, and at the same time asked the State Public Utilities Commission for an increase in the minimum zone fare from 8 to 10 cents. Both of these proposals were turned down, leaving the company operating its lines at a loss while bus operators were allowed to operate on the same streets and charge 10 cents. This is an unusually good example of what many of our larger traction companies have to contend with, in spite of generally better public relations.

The total number of passengers carried by all lines showed an increase, as compared with the year previous, notwithstanding the increased competition of the bus. Trolley companies, themselves, are gradually awakening to the possibilities of the motor bus being used in conjunction with electric lines, and in 1923, these two services were more completely synchronized. There are now more than 121 electric railways in this country and Canada, operating 1,200 motor busses, an increase of 300% over 1922.

The entire aggregate of electric railway companies purchased 4,000 new cars and locomotives in 1923, which was a greater number than in any of the previous ten years, and, in addition, they rebuilt more miles of track than in any year since 1919. Expenditures on new plant equipment and maintenance totaled above 280 million dollars, compared with but 150 millions in the previous year. Economies effected through improved methods, automatic devices, one-man cars, etc., aided in lowering operating costs and provided many companies with fairly good profits.

Although results obtained by the electric lines in the past year did not bring this class of securities back into favor to any extent, there was, nevertheless, some improvement along these lines. That is, the public has been put into a frame of mind that will undoubtedly make it easier for the different companies to accomplish refinancing in the near future. During

The North American Company

and subsidiary Companies

GROWTH OF EARNINGS

12 Months Ended	Gross Earnings of Subsidiaries	Bal. Before Depreciation Reserves and Dividends on N. A. Common Stock*	Shares N. A. Common Outstanding at End of Period**	Per Share of Common Stock
December 31, 1918	$24,792,880	$1,656,065	1,489,665	$1.11
December 31, 1919	30,343,836	3,686,902	1,489,665	2.47
December 31, 1920	39,611,162	4,502,489	1,489,665	3.02
December 31, 1921	38,853,190	5,817,342	1,530,320	3.86
December 31, 1922	55,234,491	10,165,939	2,108,580	4.82
January 31, 1923	57,832,941	10,884,356	2,110,625	5.16
February 28, 1923	60,351,851	11,506,352	2,121,590	5.42
March 31, 1923	62,692,408	12,268,200	2,255,695	5.44
April 30, 1923	64,515,617	12,643,642	2,312,349	5.47
May 31, 1923	65,967,353	12,727,399	2,313,454	5.50
June 30, 1923	67,316,885	13,433,254	2,420,249	5.55
July 31, 1923	68,561,293	13,581,393	2,420,794	5.61
August 31, 1923	69,578,950	13,701,720	2,426,464	5.65
September 30, 1923	70,787,940	13,739,284	2,426,474	5.66
October 31, 1923	71,874,241	14,075,106	2,487,197	5.66
November 30, 1923	73,199,371	14,124,254	2,487,573	5.68
December 31, 1923	75,465,267	15,108,312	2,648,907	5.70

* After deducting amount of North American preferred dividend for 12 months on stock outstanding at end of period and assuming that $14,896,650 of preferred stock was outstanding prior to January 1, 1922.

** Computed and adjusted on basis of existing par value of Common and Preferred Stock.

Earnings and electric output of Subsidiaries are only included for period from date after acquisition.

CONSOLIDATED INCOME STATEMENT

	Twelve Months Ended Dec. 31 1923	*% Increase*	1922
Gross Earnings	$75,465,267.28	36.63	$55,234,491.64
Operating Expenses and Taxes	48,289,197.98	34.84	35,812,043.65
Net Income from Operation	$27,176,069.30	39.92	$19,422,447.99
Other Net Income	730,988.13	79.52	407,182.83
Total	$27,907,057.43	40.73	$19,829,630.82
Deductions:			
Interest Charges	$8,830,273.16	32.44	$6,667,283.09
Pref'd Dividends of Subsidiaries	1,813,413.52	37.57	1,318,172.80
Minority Interest	1,009,916.71	86.87	540,443.80
Total Deductions	$11,653,603.39	36.68	$8,525,899.69
Balance for Depreciation, Dividends and Surplus	$16,253,454.04	43.79	$11,303,731.13
Per Share of Preferred Stock Outstanding	$42.58	42.89	$29.80
Number Shares Preferred Stock Outstanding	381,714	.65	379,264
Annual Dividend on Total Preferred Stock Outstanding	$1,145,142.00	.65	$1,137,792.00
Balance	$15,108,312.04	48.62	$10,165,939.13
Per Share of Com. Stock Outstanding	$5.70	18.26	*$4.82
Number Shares of Common Stock Outstanding	2,648,907	25.63	*2,108,580

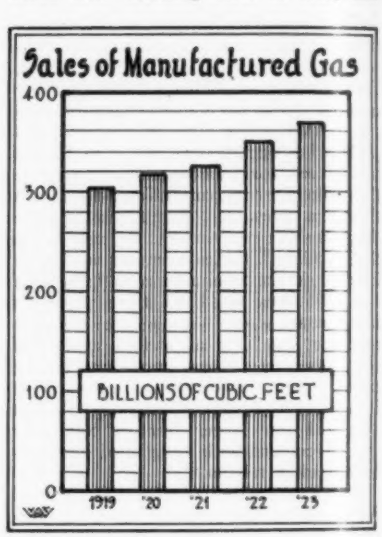
* Computed on basis of $10 par value Common Stock for purposes of comparison.

1923, there occurred but 12 receiverships, the fewest since 1910. The number of companies lifted out of receivership or otherwise lifted from bankruptcy came to 30, and the par value of the securities involved totaled more than 300 million dollars.

Manufactured Gas Business

As can be seen from the accompanying graph, the total sales of manufactured gas during the past year established a record. While the use of gas as a system of lighting is on the downgrade, its use as a method of cooking has hardly begun. The outlook for this division of the public utility industry is probably as bright as ever.

On the whole, gas companies were favored with declining costs in 1923, and



profits were correspondingly large. Labor costs turned the corner and headed downward. Both coal and fuel oil prices went to lower levels than for several years past. Very few organizations had difficulty in securing money at low rates with which to expand their service.

A matter of wide significance that took place as regards the gas companies was the passage of the $1 Gas Law by the Legislature of the State of New York and the subsequent decree of the court that such a rate would be confiscatory. This decision, of course, is of the greatest importance to those companies operating in the State of New York, and more particularly the Consolidated Gas Company and Brooklyn Union Gas. Not only are these companies assured of fair rates, that is, a rate schedule that will provide a fair return on capital invested, but they will also be entitled to the quite substantial sums of money already collected but set aside under the provisions of the injunction granted to them. The amount that will be available for corporate use in each case will come to several dollars a share on the common stock.

Many of the larger gas companies are in the most prosperous condition they have ever before enjoyed, and the outlook is favorable. Although large earn-

(*Please turn to page 60*)

Unprecedented Building Activity in 1923

No Signs of Expected Let Up in 1924—Construction Costs at High Levels—Scarcity of Labor a Handicap and Accounts for High Costs

MEASURED both by volume and value, building in 1923 surpassed that of the previous year by a fairly wide margin. According to reports compiled by *Dun's Review* covering building statistics for all the leading cities of the country, there was a gain of nearly 25% in the total value of building permits issued. The extent of increase in value of contracts awarded was about the same. Gain in volume of new construction is partially shown by production figures for building materials. In the first nine months of the year alone, there was an estimated increase of 14% in volume of lumber production over the total for the corresponding period of 1922; an increase of 18% in volume of shipments, and 9% in volume of orders. The first nine months' output of cement gained 24%, and face brick production was up about 8%, compared with the total for the corresponding period of the previous year.

As has been the case for some time past, residential building scored the greatest increase. The explanation of this lies in the fact that a more acute shortage continued to be shown in housing. Rents were maintained at high levels, particularly in the larger cities, and a strong and active demand existed for new homes throughout the year. Another factor worthy of consideration was the satisfactory supply of loan funds at comparatively low interest rates. These two conditions were especially conducive to residential building, as they are the matter of greatest moment to the prospective home builder.

High Costs

Since cost of construction is the all-important element in both industrial and institutional building, the high costs prevailing in 1923 caused these two classes of construction to lag behind considerably. It has long been characteristic of the industry that such building projects are curtailed as much as possible during periods of inflation so that advantage can be taken of the great slump in material prices that inevitably follows.

In January, 1923, the index of construction costs, compiled by the Engineering News-Record, stood at 191.7, compared with an average of 174.5 during the previous year. An increase was recorded in each successive month up to and including July, when the index number was reported at 222.1 for a total gain of over 15% in the first half of the year.

This increase in construction costs resulted not only from higher wages but also from the marking-up of raw material prices. Portland cement rose from $1.60 to $1.75 per barrel, hardwood lumber from an index figure of 46.18 to 50.19, and common red brick scored a 20% advance in price to $21 per thousand.

Labor Conditions

The temporary curtailment of large building operations that took place during the summer, as a protest against the rapid increase in construction costs, served to remedy the situation somewhat. A decline in material prices began about the middle of the year, which practically cancelled the earlier advance. Wages were not reduced, however, and the net result was only a slight lowering of construction costs to around 217, an index figure which compares with those previously given.

A disturbing factor in the building industry during the past year was the prevailing labor conditions. In practically all parts of the country difficulty was experienced in getting a sufficient supply of skilled labor. There was a tendency among workers in the different trades to drift from job to job, working only three or four days out of the week and being satisfied with the recompense therefor. While there were no major disputes and consequent tying-up of operations, the above factor restricted building to no small extent.

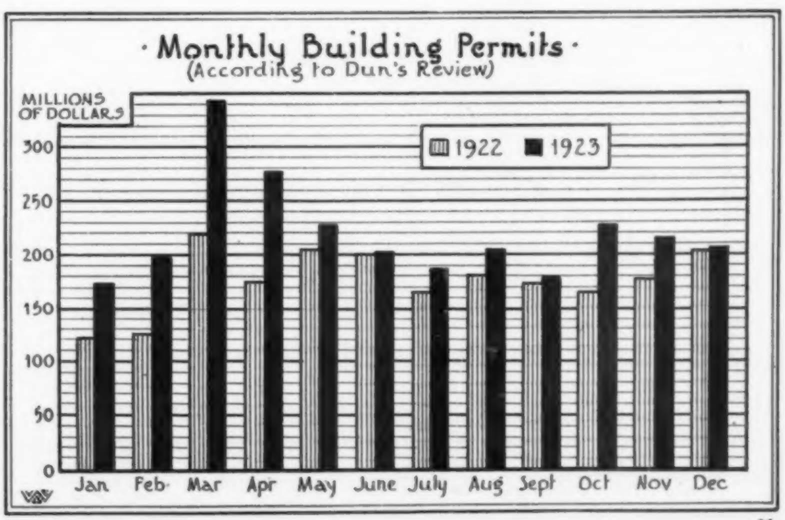
The different wage schedules in effect showed substantial increases over those of the previous year. The rate of pay for bricklayers in the Eastern States rose from an average of about $1.10 to around $1.40 an hour. In some parts of the country the increase was much greater, as for example, in St. Louis where the rate was increased to $1.75 an hour. Wages in other building trades were universally higher.

As regards the outlook for the building industry in 1924, it may be said that practically all indications point toward a sustained increase in operations at least during the first six months. The total amount expended in new construction during 1923 is estimated to have been in excess of 5 billion dollars, and yet in spite of this record it is claimed that from 5 to 8 billions of further construction will be necessary to adjust the accrued deficits of recent years. Extreme caution should be shown by the industry, however, for the present building boom has now lasted about three years, compared with normal upswings of but 15 to 18 months duration.

Speculation in Land Values

In regard to 1924, it is estimated by competent observers that requirements will be in aggregate about four billion dollars for various types of building enterprises. The main part of this will be centered about residential building, of which there still remains a considerable shortage especially in over-populated districts such as found in large cities such as New York, Chicago and Philadelphia.

A disquieting feature is the excessive speculation in building values which has been brought to astounding proportions. As long as the mortgage market remains relatively sound, there is no reason to fear ill results from speculative activity, but sooner or later a stringency will occur which will prove exceedingly detrimental to those who built on the basis of high costs and a slim money margin.



Exceptional Year for Steel Industry

Production at High Rate With Strong Price Undertone—12-Hour Day Eliminated—Earnings Unusually Satisfactory

IN discussing the situation which existed in this industry during 1923, it is best to begin with a comparative analysis of pig-iron production. For the eleven months ending November 30, output totaled 37.1 million tons. As December output has been estimated at 2.9 million tons, the entire year's tonnage was the largest on record, being much in excess of the 26.8 million tons for the previous year, and well above the previous high figure of 39.4 millions reported in 1916.

From January to May, inclusive, output of pig iron showed a steady increase. That is, excluding February when a decline is usually to be expected due to the shortness of the month and the number of holidays therein. A new high monthly record was established in May with a total production of 3.8 million tons. The decline in production that became manifest in June, however, continued practically throughout the remainder of the year, and the estimated December figure, given above is about 10% under the total output for the preceding January.

There was likewise a substantial increase in steel ingot production during the past year, the total amounting to slightly over 43.2 million tons, compared with 34.5 millions in 1922, and a high record of 43.6 millions in 1917. Fluctuations in monthly output figures were very similar to those for pig iron. Production amounted to 3.8 million tons in January, increasing to 4.1 millions in May, and subsequently declining to a low figure of 2.8 millions for December.

Range of Prices

The marked expansion in blast furnace and steel-mill operations during the year naturally resulted from an increased demand for the industry's products. The boom in building, record-breaking production of automobiles, and a large volume of railway equipment buying all contributed to the greater consumption of steel. During the first two quarters there was the keenest sort of competition for early delivery on orders with a resultant bidding up of prices.

Lighter buying came into evidence during the latter part of May, however, and the majority of mills cut down orders for pig iron to absolute requirements, thus causing a wide change in prices. Whereas southern No. 2 foundry sold at $27.45 per gross ton, f.o.b. Cincinnati in January, and advanced to $31.05 in April, it declined to $23.69 per ton in November. During this period of price depression buying was virtually at a standstill. Consumers re-entered the market in the middle of November, and quotations rose with the increased demand, reaching $25.05 just before the end of December.

In contrast with the fluctuations in the price of pig iron, prices for steel and steel products were remarkably firm even during the buying lull that characterized the summer market. There was no sign of general reductions, although several smaller companies shaded quotations on some products in cases where their advance bookings were insufficient to warrant a normal rate of production. The composite price of finished steel compiled by the *Iron Age* showed an increase from 2.469 in January to 2.814 in April, a subsequent fractional decline bringing the index figure down slightly to 2.775, but for a net gain of 11% for the year.

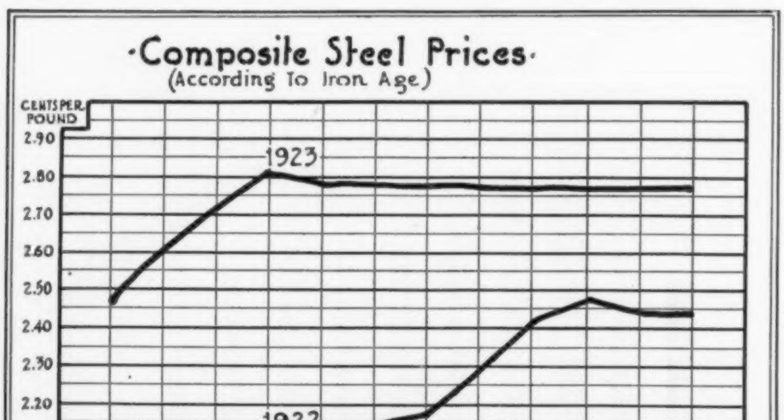
Profitable Operations

From the standpoint of earnings, the year was one of the best the industry has experienced, with the exception of the war period. This may be said to have been in spite of a relatively poor export business. Foreign shipments of iron and steel for the first eleven months of the year amounted to but 1.814 million tons compared with 1.836 million for the corresponding period of 1922. Once again it was demonstrated that the industry is by no means dependent on world conditions for its prosperity.

Even the change in labor schedule to an 8-hour day failed to affect earnings appreciably. During the summer months most plants began shortening the working hours of their employees by the creation of three shifts instead of four, and wages were increased about 25% at the same time, so as to partially offset the loss sustained by workers employed by the hour. It is estimated that the shorter work day brought about an increase of from $3 to $6 a ton in costs of production but the wider margin resulting from lower pig-iron prices and firm quotations for steel did much toward stabilizing profits from operations.

There is no reason why the industry should expect anything but a satisfactory year in 1924, although a record business like that of 1923 should not be anticipated. The past year ended with plants working at 75% of theoretical capacity compared with 94% at the beginning, yet it is probable that rate of production and consumption will at least be well maintained at this new level. Large tonnage of sheets will no doubt be placed by automobile manufacturers, structural demand promises to be good, and the railroads will very likely purchase additional equipment in fair-sized quantities. Another factor of significance is the increase during the last month of the past year in volume of unfilled orders reported by the U. S. Steel Corporation. This was the first gain shown in the amount of advance business for more than eight months, and possibly represented a satisfactory trend of affairs within the entire industry.

Among the very large buyers of steel products, the automotive industries will again be prominent. The railroads will likewise consume great quantities of these products, and newcomers to the field will be the industries associated with farming enterprises. These farm machinery and implement manufacturers have not been able to enter the steel market very heavily owing to the necessity of reducing their very heavy inventories. This situation, however, is slowly changing, and, with stocks considerably reduced and farmers in need of making replacements and adding to their equipment, it follows that these companies will be better customers of the steel industries than they have been in a position to be for a considerable period.



Public Utility Companies as Customers

Of importance is the stated intention of leading public utility companies to make extensions to their present facilities. These companies are practically

underbuilt and equipped, and, being in a favorable position to finance themselves, it is obvious that they will also become very important customers of the steel industry.

Earnings for 1923 of the leading steel companies will probably not be duplicated in 1924 despite the high volume of anticipated operations. Nevertheless, the industry rests on a stable basis and should be productive of good financial results where efficiency of management proves the dominant requirement.

The steel situation cannot be dismissed without allusion to the question of foreign competition. The year 1923 demonstrated beyond question that we could not hope to compete with British, Belgian, French and German manufacturers in Europe. On the other hand, we more than held our own in South America, Canada and Asia. It is probable that this situation will continue indefinitely.

As to underselling us in our own markets, there appears to be little likelihood of such a development. Steel manufacturing costs in Europe are high and when added to that the cost of transportation and tariff is considered, it is obvious that European sellers are not in an advantageous position to compete with us in our home markets. It is to be considered that a large amount of our present production is supplied to districts neighboring the actual producing centers, and foreign sellers are likely to have a hard time in convincing the majority of home buyers that it would pay them to acquire the foreign product.

To sum up, therefore it appears that the steel industry rests fundamentally in a strong position and that little is to be feared from foreign competition even under present conditions.

STEEL COMPANIES

Company	Year	Bonds Outstanding	Interest Times Earned	Preferred Outstanding	Pfd. Earned Per Share	Common Outstanding	Common Earned Per Share	Profit & Loss Surplus	Working Capital in Millions	Common Divs. Paid Per Share
BETHLEHEM STEEL CORPORATION	1913	$33,599,033	3.44	$14,908,000	†34.40	$14,862,000	‡$27.50	$2,214,517	12.32	None
	1919	119,514,105	2.61	44,908,000	†34.65	59,862,000	‡20.01	10,304,610	88.64	‡$7.0
	1920	144,633,612	2.82	44,908,000	†32.19	59,862,000	‡18.40	10,826,785	77.47	‡5.0
	1921	146,432,397	2.10	44,908,000	†23.00	59,862,000	‡11.51	12,418,929	87.75	‡5.0
	[3]1922	156,611,611	1.53	57,408,000	‡8.02	180,250,000	‡1.44	10,050,074	87.19	‡5.0
	1923	209,095,612	3.10	58,943,000	-25.00	180,151,900	6.46	12,279,499	110.7	‡5.0
CRUCIBLE STEEL CO. OF AMERICA	*1913	None	.....	25,000,000	19.62	24,578,400	12.84	8,106,162	8.06	None
	*1919	a5,879,000	.....	25,000,000	33.30	25,000,000	31.30	45,774,800	28.40	1.5
	*1920	a6,250,000	.....	25,000,000	47.83	50,000,000	37.42	29,871,760	28.50	11.0
	*1921	a6,000,000	.....	25,000,000	22.19	50,000,000	7.59	26,467,605	25.90	7.0
	*1922	a5,750,000	.....	25,000,000	d	50,000,000	nil	20,008,271	23.63	2.0
	*1923	a5,500,000	.....	25,000,000	18.44	55,000,000	5.20	23,010,535	24.94	1.0
GULF STATES STEEL COMPANY	1913	.....	.....	.....	.....	.....	.....	.....	.....	.....
	1919	b201,000	.....	2,085,700	13.40	11,136,550	1.20	2,246,379	3.30	3.5
	1920	b198,000	.....	2,084,100	30.04	11,138,150	5.44	2,852,553	3.25	None
	1921	b176,000	.....	2,070,100	d	11,152,150	nil	2,120,637	2.20	None
	1922	b149,000	.....	2,060,000	47.91	11,212,000	7.27	2,940,741	3.25	None
	1923	.....	.....	2,000,000	79.00	11,212,000	12.78	NF	NF	4.0
REPLOGLE STEEL COMPANY	1913	.....	.....	.....	.....	.....	.....	.....	.....	.....
	1919	None	.....	None	.....	h11,500,000	.....	.....	.....	None
	1920	None	.....	None	.....	h11,500,000	.01	1,418,080	0.99	None
	1921	None	.....	None	.....	h11,500,000	d	512,659	2.94	None
	1922	None	.....	None	.....	h14,950,000	d	70,239	2.39	None
	1923	None	.....	None	.....	h14,950,000	NF	NF	NF	None
REPUBLIC IRON & STEEL COMPANY	1913	16,415,000	4.60	25,000,000	12.41	27,191,000	4.97	6,512,778	11.16	None
	1919	14,093,000	3.92	25,000,000	8.56	27,272,800	1.43	33,880,972	23.61	6.0
	1920	13,474,000	11.32	25,000,000	30.47	30,000,000	19.55	37,441,571	25.59	6.0
	1921	13,357,000	d	25,000,000	d	30,000,000	nil	29,576,329	15.18	1.5
	1922	13,125,500	1.48	25,000,000	1.68	30,000,000	nil	29,994,641	16.15	None
	1923	22,199,000	6.50	25,000,000	24.50	30,000,000	15.00	33,003,835	25.4	None
SLOSS-SHEFFIELD STEEL & IRON COMPANY	¶1913	4,000,000	4.20	6,700,000	11.26	10,000,000	2.00	3,336,414	0.75	None
	1919	7,288,000	9.10	6,700,000	31.27	10,000,000	16.25	7,088,268	3.92	6.0
	1920	5,700,000	8.10	6,700,000	37.43	10,000,000	20.38	7,983,047	2.38	6.0
	1921	5,400,000	2.54	6,700,000	7.68	10,000,000	0.45	6,384,094	2.03	1.5
	1922	5,103,000	2.83	6,700,000	8.64	10,000,000	1.10	6,962,988	1.25	None
	1923	5,103,000	9.00	6,700,000	39.00	10,000,000	20.00	NF	NF	None
UNITED ALLOY STEEL CORPORATION	1913	.....	.....	.....	.....	.....	.....	.....	.....	.....
	1919	None	.....	None	.....	2,625,000	4.16	21,509,036	7.05	4.0
	1920	None	.....	None	.....	2,625,000	5.74	22,416,519	7.64	4.0
	1921	None	.....	3,300,000	d	6,225,000	nil	25,205,382	11.60	1.0
	1922	None	.....	3,300,000	90.96	6,225,000	3.05	26,775,989	11.13	1.0
	1923	None	.....	3,300,000	NF	800,000 shs	NF	NF	NF	2.50
UNITED STATES CAST IRON PIPE & FOUNDRY CO.	x1913	1,679,000	4.88	12,500,000	4.52	12,500,000	nil	237,285	3.40	None
	1919	752,000	d	12,000,000	d	12,000,000	nil	347,474	4.08	None
	1920	692,000	20.75	12,000,000	7.00	12,000,000	0.09	599,066	4.47	None
	1921	650,000	3.51	12,000,000	0.84	12,000,000	nil	487,353	3.89	None
	1922	625,000	27.50	12,000,000	8.52	12,000,000	1.52	1,159,596	4.40	None
	1923	625,000	NF	12,000,000	NF	12,000,000	NF	NF	NF	None
UNITED STATES STEEL CORPORATION	1913	627,097,377	4.6	360,281,100	22.50	508,302,500	11.02	151,798,429	245.16	5.0
	1919	568,727,932	4.7	360,281,100	21.31	508,302,500	10.14	493,048,202	515.22	5.0
	1920	554,828,231	6.4	360,281,100	30.45	508,302,500	16.62	523,454,891	545.63	5.0
	1921	540,706,561	2.8	360,281,100	10.16	508,302,500	2.24	508,926,958	485.18	5.0
	1922	539,740,268	3.0	360,281,100	11.01	508,302,500	2.84	499,139,415	413.44	5.0
	1923	539,360,268	5.0	360,281,100	30.18	508,302,500	16.43	515,692,000	NF	5.25
VANADIUM CORPORATION OF AMERICA	1913	.....	.....	.....	.....	.....	.....	.....	.....	.....
	[1]1919	None	.....	None	.....	10,177,093	.....	Z	1.68	None
	1920	None	.....	None	.....	14,323,697	e7.97	520,593	3.80	4.5
	1921	None	.....	None	.....	14,323,697	d	d	3.36	1.0
	1922	None	.....	None	.....	14,323,697	0.79	202,451	3.79	None
	1923	None	.....	None	.....	14,323,697	1.85	NF	NF	None
VIRGINIA IRON, COAL & COKE COMPANY	[2]1913	5,233,000	0.85	None	.....	10,000,000	nil	f1,229,804	0.80	None
	1919	3,787,000	6.6	None	.....	9,073,600	11.85	829,624	2.25	6.0
	1920	3,539,000	14.8	None	.....	10,000,000	22.44	1,500,948	2.00	6.0
	1921	3,523,000	3.3	None	.....	10,000,000	3.36	434,898	1.81	6.0
	1922	3,000,000	5.1	5,000,000	11.51	10,000,000	3.26	772,612	2.14	3.0
	1923	2,588,000	NF	5,000,000	NF	10,000,000	NF	NF	NF	3.50

[1] As of September 16, 1919.
[2] Years ended June 30.
[3] After giving effect to absorption of Midvale and Lackawanna.
* Years ended August 31.
† Earned per share on both classes of preferred.
‡ On both classes of common stock, A and B.
¶ Years ended November 30.
a—Company has no direct obligation. Figures shown represent funded debt of subsidiaries.
b—Representing bonds of self-fluxing Ore & Iron Co., which were retired in June, 1923.
d—Deficit.
e—Fifteen and one-half months ended December 31, 1920.
f—Profit and loss deficit.
h—Represented by 375,000 shares, no par capital stock.
x—Years ended May 31.
Z—Included in capital stock account.

NF—NOT AVAILABLE

Automotive Industries in 1923

Automobile and Accessory Manufacturers Prosper — Tire Industry Encounters Difficulties

RECORD breaking has ceased to be a novelty with the motor industry. In only two years of the past twenty has the steady upward march of output been interrupted to a marked degree. There was a noticeable break in production in 1918 and 1921, with a recovery in 1919 not quite sufficient to carry manufacturing activity over the previous record, established in 1917.

With these exceptions, however, the industry's history is one of consistent expansion and 1923 was undoubtedly the most conspicuously successful year yet seen. While certain companies were, during 1922, still devoting their energies toward rehabilitation of finances which had gone awry with post-war deflation, the great majority had so benefited from the active demand and stabilized conditions of the preceding year that practically none failed to reflect fully the projection of prosperity into 1923. The beginning of the year found finances in excellent shape, plants in order to cope with unprecedented demand, stocks of cars relatively light and prices fairly well stabilized.

Continuation of the heavy sales volume which characterized 1922 was forthcoming; in fact, the headway gained during the preceding period was such that peak production came much earlier than in former years, April and May being the record months with an output of 344,639 and 350,410 passenger cars respectively. For the eleven months ended November 30, average monthly production of passenger cars was 280,090 as compared with a monthly average of 194,972 cars for the year 1922 and 156,930 for 1920. An even more striking picture of last year's performance may be drawn by comparison of total production with 1922. According to preliminary estimates, 4,014,000 motor cars and trucks were turned out in the entire twelve months as against 2,659,064 in the preceding year, an increase of more than 50%.

Fuller development of closed car business has operated to smooth out some of the peaks formerly common to manufacturing activities. In the past year, this steady drift toward closed models was held largely responsible for extension of high production into the fall and winter months, a period that has heretofore been one of rather sharp contraction. October was one of the year's most active periods with an output of 335,023 cars, a figure

AUTOMOBILE COMPANIES

Company	Year	Funded Debt	Interest Times Earned	Preferred Outstanding	Pfd. Earned Per Share	Common Outstanding	Common Earned Per Share	Profit & Loss Surplus	Working Capital	Common Divs. Paid Per Share
CHANDLER	1912	Incorporated November, 1915.								
	1915	....	.....	....	...	$7,000,000	$13.3	$173,000	$1,886,000	..
	1919	....	.....	....	...	210,000 shs	17	3,381,000	6,173,000	$16
	1922	....	.....	....	...	No par 230,000 shs	6.09	3,627,918	1,026,567	6
	1923	....	.....	....	...	No par 280,000 shs	9.00	NF	NF	6
HUPP	1912	Incorporated 1915.								
* As of Nov. 30th.	1915	....	.....	$1,500,000	$3	$5,000,000	0.6	33,000	2,000,000	..
† 1st 11 months.	1919	....	.....	1,146,000	170	5,192,000	3.04	2,856,000	922,000	1
	1922	....	.....	677,800	447	5,192,000	6.90	3,091,136	3,813,166	1
	1923	....	.....	509,000	...	9,138,090	†3.48	*9,008,269	*3,740,585	1
PIERCE-ARROW	1912	Incorporated 1916.								
† Also 15,750 shares $8 conv. no par.	1915									
‡ Estimated.	1919	....	.....	10,000,000	25	250,000 shs	6.76	3,571,000	13,126,000	1.25
	1922	....	.....	10,000,000	0.11	No par 250,000 shs	....	....	4,976,000	..
	1923	$7,700,000	.....	†10,000,000	‡2.80	No par 250,000 shs	....	NF	NF	..
MACK TRUCKS	1912	International Motor Truck incorporated Nov., 1916. Name changed to Mack Trucks, March, 1922.								
* Consisting of $10,921,800 1st 7% pfd. and $5,331,700 2d 7% pfd.	1915	....	.....	....	...	....	....	....	....	..
	1919	....	.....	*$16,253,000	8 23	70,000 shs No par	12	3,525,000	12,654,000	..
	1922	....	.....	*16,253,000	36 59	283,000 shs	9	11,791,254	19,980,856	1
	1923	....	.....	*16,253,000	...	283,000 shs	20	NF	NF	5
WHITE MOTOR	1915	Incorporated December, 1915.								
* Estimated.	1916	....	.....	....	...	$16,000,000	13.88	2,541,000	10,000,000	4
	1919	....	.....	....	...	20,000,000	11.47	7,879,000	22,518,000	4
	1922	....	.....	....	...	25,000,000	7.54	4,461,073	16,463,107	4
	1923	....	.....	....	...	25,000,000	13.80	9,400,000	NF	4
GENERAL MOTORS	*1912	$987,000	1.1	$14,985,000	50	$16,476,000	40	3,000,000	20,000,000	..
* 1913, July 31st.	1915	2,328,000	4.4	14,985,000	96	16,500,000	81	20,000,000	30,600,000	..
† Bonds of a subsidiary company.	1919	....	.....	85,296,000	85	153,411,000	39	78,600,000	123,074,000	12
	1922	†12,000,000	....	109,166,000	47	20,550,000 shs	2.19	89,936,863	126,476,237	50c
	1923	†11,638,000	.....	109,166,000	e50	No par 20,646,327 shs	e2.60	NF	NF	1.20
PACKARD MOTOR	*1912	2,000,000	2.0	5,000,000	40	5,000,000	34	1,379,000	6,650,000	..
*Year ended August 31st.	*1915	3,000,000	2.7	5,000,000	55.4	7,065,000	34.2	4,625,000	8,200,000	..
†$10 par stock.	*1919	....	.....	15,500,000	64.5	11,840,000	38.8	17,000,000	28,140,000	1.40
‡Also 100% stock dividend.	*1922	7,400,000	3.75	14,789,000	13.5	11,885,000	†0.82	17,000,000	30,000,000	..
	*1923	....	.....	14,676,200	45.7	23,770,200	2.96	8,676,024	27,187,000	‡2.00
MAXWELL	*1912	....	.....	24,000,000	12.2 6.3	12,770,000	0.30	....	300,000	..
* Yr. ended July 31, 1914. Incorporated Jan. 1st, 1913.	†1915	....	.....	22,400,000	17.7 13.0	12,770,000	5.5	3,170,000	7,699,000	..
† Year ended July 31st.	†1919	....	.....	23,200,000	10.6 4.7	12,855,000	....	9,681,000	13,600,000	..
‡ Class A 8%.	1922	6,657,394	2	‡17,198,300	4.84	531,000 shs	....	....	9,659,624	..
e Estimated.	1923	3,889,620	9.0	‡17,748,300	e14.0	No par 596,000 shs	e2.0	NF	NF	..
STUDEBAKER	1912	7,600,000	6	13,000,000	17.6	$28,000,000	5.9	2,000,000	19,000,000	..
* Estimated.	1915	2,305,000	5.0	11,000,000	32.69	30,000,000	28	8,471,000	24,000,000	5
	1919	....	.....	10,700,000	87.0	45,000,000	27.2	21,000,000	33,500,000	7
	1922	....	.....	9,450,000	187.9	75,000,000	28.35	25,642,190	33,587,480	10
	1923	....	.....	8,800,000	*195.0	75,000,000	*26.00	NF	NF	10

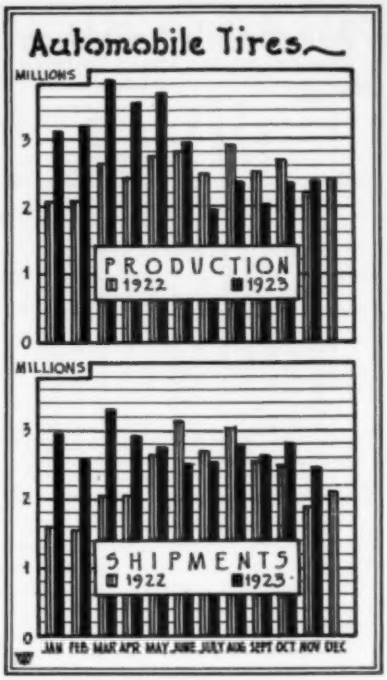
NF—Figures not available

that compares surprisingly well with the spring-time peak.

Astounding as the year's remarkable expansion may be, the reasons are not far to seek. Two years of steady employment at record wages have placed buying power of the masses on a high plane. This fulness of purchasing ability naturally finds expression in growing demand for one of our greatest present-day conveniences. Then, too, wages and material costs for the industry, while higher at the close of the year than at its beginning, were nevertheless sufficiently stable to permit manufacturers to go ahead with confidence. There was no inventory problem to settle, and relative equilibrium of costs allowed maintenance of selling prices which were not alone stimulating to, and in keeping with, public ideas, but of even greater importance, were high enough to produce the largest earnings yet enjoyed by motor manufacturers.

It is, perhaps, worth noting in this connection that net profits in the first half year were slightly better than in the final six months inasmuch as moderate price revisions and a general, though not marked, upswing in raw material costs were conductive to some small recession in margins of profit from the higher level of the earlier half.

Developments in the industrial world must, obviously, decide whether new records are to be made in 1924. At present there is nothing in the outlook to suggest any important reaction from last year's prosperity during the fore part of the new year at least, although it is problematical whether the swift pace which producers



have mapped out for the first quarter may be prolonged beyond that period, especially after two such record seasons as have been witnessed.

Productive capacity of the industry underwent some expansion during 1923, but this seems to have been fully justified by normal growth. At the same time, it is possible that with manufacturers set for large-scale output, competition may force, and capacity operations permit, some lowering of prices. On the other hand, costs seem likely to remain reasonably stable, and the sales prospects for the next few months would indicate that anticipated production may be readily absorbed. Hence earnings of motor companies will probably compare very well with last year although likely to be slightly under the general level of corresponding quarters.

Motor Accessories

Since the accessory business is almost wholly dependent upon the trend of events in the motor industry, its history is practically as one with the latter. Paralleling the experience of automobile companies, accessory and parts makers have had the most prosperous year in their existence. Large-volume output has followed unprecedented production of motor vehicles with the result that producers of bodies, speedometers and the like have been forced to employ their plants to the full.

Most of these concerns are unusually fortunate in that they have been relatively free from bonded indebtedness and the record earnings which fell to their lot in 1923 permitted reduction in bank loans to a minimum. Net earnings, as a consequence, were readily available for distribution to stockholders who fared exceedingly well.

There has been some slight tendency on the part of certain motor-car manufacturers to provide their own parts-making facilities, but this does not seem at all

TIRE-MANUFACTURING COMPANIES

Company	Year	Funded Debt	Interest Times Earned	Preferred Outstanding	Pfd. Earned Per Share	Common Outstanding	Common Earned Per Share	Profit & Loss Surplus	Working Capital	Common Divs. Paid Per Share
FISK RUBBER	*1912	....	.....	$5,000,000	$15½ 13.2	$8,000,000	$15	$137,000	$2,900,000	..
	1915	....	.....	6,775,000	34.5 52.6	8,000,000	11.4	1,246,000	4,244,000	..
* Yr. to Oct. 31, '13.	1919	....	.....	18,000,000	37.0 75.0	12,250,000	24	8,295,000	18,569,000	..
‡ Ten months ending Oct. 31.	1922	$9,500,000	2.9	21,000,000	8.8 32.8	744,000 shs	0.40	6,528,494	17,948,709	..
	‡1923	8,894,000	3.1	20,064,800	13.0 90.0	794,831 shs	1.21	5,612,107	19,500,895	..
U. S. RUBBER	*1912	18,000,000	4.4	57,281,000	16	$36,000,000	48.8	16,735,000	36,000,000	$5⅓
	1915	16,500,000	4.1	59,000,000	46	36,000,000	10.8	23,000,000	47,500,000	1⅓
* Yr. ended March 31, 1913.	1919	65,200,000	5.8	63,000,000	28	72,000,000	24	52,300,000	126,300,000	4
	1922	85,981,000	2.5	65,100,000	11	81,000,000	2.6	32,000,000	80,102,000	..
	1923	85,981,000	NF	65,100,000	NF	81,000,000	NF	NF	NF	..
GOODRICH	*1912	....	.....	30,000,000	8.6	60,000,000	0.83	706,000	15,800,000	1
	1915	....	.....	28,000,000	43.8	60,000,000	17.17	10,500,000	26,800,000	..
	1919	....	.....	39,600,000	54	60,000,000	0.25	41,203,000	54,686,000	4
* 1913.	1922	21,950,000	2.3	37,224,000	8.19	601,000 shs	None	10,794,000	34,439,000	..
	1923	23,887,000	2.2	34,579,000	8.70	No par 601,000 shs	0.60	NF	NF	..
GOODYEAR	*1912	....	.....	5,000,000	60	5,000,000	57	1,856,000	7,500,000	12
	*1915	....	.....	6,650,000	77	8,377,000	55	7,000,000	13,500,000	12
* Yr. Oct. 31. Company reorganized 1921. ‡ Prior pref. stock.	*1919	....	.....	36,500,000	78	20,700,000	100	33,300,000	53,746,000	12
	1922	55,250,000	1.9	95,000,000	‡11	886,000 shs	None	8,008,000	58,768,000	..
	1923	51,250,000	3.0	85,000,000	‡24	No par 831,000 shs	None	11,786,136	48,972,082	..
KELLY SPRINGFIELD	*1912	....	.....	1,149,000	50	4,000,000	12	1,449,000	1,500,000	..
	1915	....	.....	3,758,000	‡45	4,800,000	30	2,126,000	3,400,000	6
* 1913. ‡ On first preferred.	1919	....	.....	9,000,000	‡79⅓	5,361,000	11¼	8,120,000	11,500,000	16
	1922	10,000,000	4.93	8,400,000	‡104	9,096,000	6.2	8,231,000	14,030,000	..
	1923	9,500,000	NF	8,400,000	NF	9,096,000	NF	NF	NF	..
AJAX RUBBER	1912			Incorporated December, 1915.						
	*1915	....	.....	....	...	7,100,000	8⅓	2,128,000	8,352,000	12
* For 16 mos. ended Dec. 31, 1916.	1919	....	.....	....	...	7,100,000	12½	155,000	4,200,000	3
	1922	2,847,000	2.9	....	...	425,000 shs	0.06	def. 3,291,301	4,969,952	..
	1923	2,773,000	NF	....	...	No par 425,000 shs	NF	NF	NF	..
LEE TIRE	1912			Incorporated December, 1915.						
	*1915	....	.....	....	...	100,000 shs	2.30	16,000	1,244,000	2.25
* 1916.	1919	....	.....	....	...	150,000 shs	2.18	531,000	3,652,000	..
	1922	....	.....	....	...	150,000 shs	2.47	431,089	3,330,000	2.00
	1923	....	.....	....	...	215,000 shs	NF	NF	NF	1.00

NF—Figures not available

likely to become common practice, and there is apparently nothing of an untoward nature in prospect for accessory companies. The same conditions which point to continuation of good results for motor companies would seem to apply with equal force to this industry.

Tires

Despite prevailing prosperity in other branches of the automotive industry, 1923 was not a happy year for the rubber companies. Tire manufacturers, like makers of motor cars, experienced the most active twelve months in their history, but in contrast with the latter, their earnings were not at all satisfactory. The troubles of the tire companies were clearly fundamental. War-time inflation encouraged undue expansion of plant capacity for the industry as a whole with the result that even the record demand of 1923, with its accompanying output of approximately 45 million tires—an increase of 10% over 1922—was insufficient to absorb the steady flood of casings and tubes which over-enthusiastic producers poured upon the market.

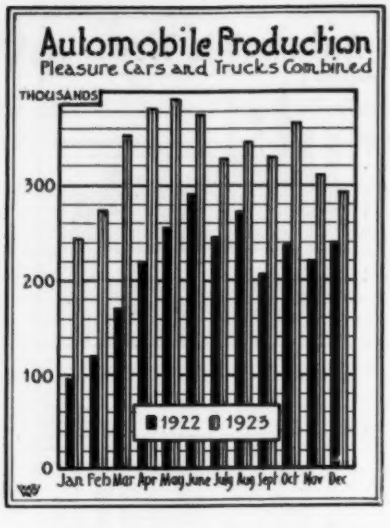
This excessive output completely glutted distributing channels in the fore part of 1923, and ruinous price cutting followed in the wake of competition generated by a panicky desire to unload top-heavy inventories. When manufacturers finally realized their blunder it was too late to reestablish equilibrium and restore prices to a profitable basis. Instead, therefore, of being a year of good times, 1923 was one of disappointment.

Indicative of the trend of events, inventories of pneumatic casings increased from 4.6 million at the beginning of the year to 7.0 million at the close of June when the high water mark was reached. The peak in tube manufacture came somewhat earlier with stocks at 9.3 million at the end of May as compared with 5.7 million on December 31, 1922. Production ran well ahead of shipments until July when drastic policies for retrenchment were adopted in order to restore the industry to a sound basis.

In the first five months of the second half year shipments totaled 13.3 million tires while production amounted to 11.1 million, thus permitting a reduction of 2.2 million in inventories. These stood at 4.7 million at the close of November as compared with 4.6 million at the beginning of 1923, and with 7.04 million at the year's high. In the final months of the year manufacturers were encouraged to again increase operations, although cautiously.

Prices were quite satisfactory during the spring and early summer as will be evident from a careful study of tire company earnings statements. The high rate of production and comparatively stable operating conditions were favorable to fair profits, but once price cutting started, margins of profit ceased to be a consideration. Crude rubber reached its peak around 35 cents a pound in February, declining steadily to around 25 cents in July where the market became stable. In the past six months crude rubber remained practically stationary, prices being in the neighborhood of 27 cents.

Notwithstanding the comparative cheap-



ness of rubber, material costs were considerably increased by the rapid rise in cotton which was translated into higher fabric prices, especially during the final six months. Since fabric ranks with crude rubber as the most important item in tire manufacture, one of the reasons for dangerously small profits will be apparent. Unable to advance selling prices, the tire makers were forced to absorb these rising costs by contenting themselves with lessened profit.

But while the year was a difficult one, some of the lessons learned and reforms instituted should stand the industry in good stead during the new year. With stocks down again to normal and many evil practices of former years eliminated, the industry is on a firmer footing for 1924. The tendency toward expansion of ouput, noted at the close of 1923, will evidently continue without a repetition of last spring's collapse inasmuch as the marked gain in motor-car registration and continuation of large sales should open the way for increased employment of tire-making capacity.

Tire companies have already advanced prices on tires sold to automobile manufacturers as original equipment, and it is entirely probable that this increase will be followed by higher quotations to the retail trade. Doutbless these new prices, supported by increasing demand, will be of proportions large enough to restore reasonable margins of profit.

Our summary of conditions in the various branches of the automotive industries may be indicated thus:

Motors—In strong position and facing an active season in 1924.

Accessories—In practically the same position as motors.

Tires—Industry on firmer footing than in 1923 and looks forward to improved earnings results.

MOTOR ACCESSORIES

	Year	Hayes Wheel Company	Martin-Parry Corporation	Stewart-Warner Speedometer Corporation	Stromberg Carburetor Co. of Amer., Inc.	Fisher Body Corporat'n†
Funded Debt	1919	$771,000	....	....	....	....
	1921	771,000	....	$2,000,000	....	$9,569,000
	1922	682,000	....	Red'medSept. 1	....	8,250,000
	1923	1,432,000	....	....	....	20,000,000
Interest Times Earned	1919	$17.5	....	....	....	....
	1921	7.2	....	....	....	$4.18
	1922	12.9	....	....	....	7.59
	1923	....	....	....	....	28.00
Preferred Outstanding	1919	None	None	None	None	$4,334,000
	1921	None	None	None	None	3,470,800
	1922	None	None	None	None	3,150,800
	1923	None	None	None	None	Red. May 1
Pfd. Earned Per Share	1919	....	....	....	....	$36.85
	1921	....	....	....	....	131.30
	1922	....	....	....	....	189.50
	1923	....	....	....	....	....
Common Outstanding	1919	$1,633,320	$1,530,000	$10,000,000	$375,000	$2,111,325
	1921	1,633,320	1,530,000	12,459,000	375,000	29,711,325
	1922	2,000,000	1,530,000	12,461,505	375,000	29,711,325
	1923	2,000,000	1,530,000	12,461,505	375,000	29,711,325
Common Earned Per Share e Estimated.	1919	$5.46	$2.44	$6.98	$5.50	$6.49
	1921	3.08	0.08	2.08	1.09	3.90
	1922	5.79	4.02	11.25	8.06	11.90
	1923	e9.00	e6.50	14.15	e15.00	28.40
Profit and Loss Surplus	1919	NF	$1,223,764	$7,514,455	$2,255,965	$5,271,410
	1921	$2,127,465	1,314,797	7,637,235	2,434,339	5,854,537
	1922	3,330,462	1,402,226	11,098,312	2,870,468	6,795,211
	1923	NF	NF	NF	NF	15,757,849
Working Capital	1919	NF	$1,502,588	$5,275,168	$1,393,693	$4,254,276
	1921	$2,165,975	1,073,549	6,175,783	892,445	19,870,179
	1922	2,664,355	1,222,627	7,314,531	1,368,009	18,592,613
	1923	NF	NF	NF	NF	31,725,584
Com. Dividends Paid Per Share	1919	$0.75	....	$9.00	$4.00	....
	1921	1.25	$2.00	2.50	0.50	$10.00
	1922	2.00	2.00	4.00	1.00	10.00
	1923	3.00	2.00	9.00	6.00	10.00

† Fiscal year ends April 30th.

NF—NOT AVAILABLE

Irregularity in Textiles in 1923

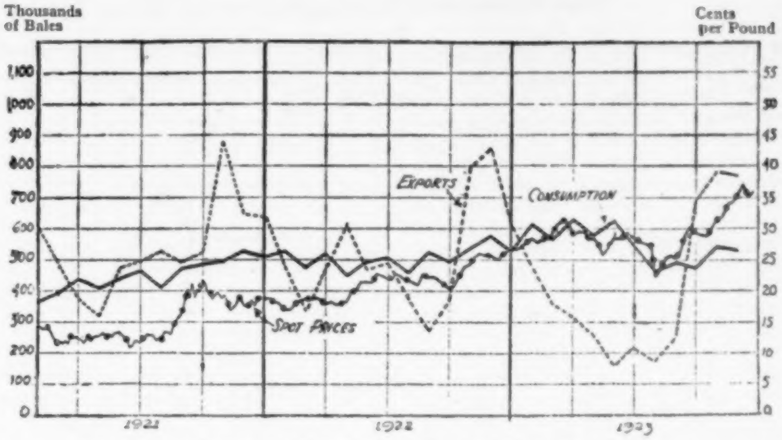
Contrasts Between Various Branches of the Industry

AT the beginning of the past year, most textile mills were crowded with orders for cottons, woolens, and silks, prices were steadily rising, and the entire textile market had a confident undertone. The first half of the year brought prosperity to the industry as a whole.

Business had taken a slump, however, by the middle of summer. In spite of continued industrial activity, high wages and large volume of consumer buying, retailers had lost their courage and were once more making commitments on a hand-to-mouth basis. The closing months of 1923 were a period of uncertainty and below-normal operations.

COTTON

There were extreme fluctuations in cotton prices and activity. The raw product sold between 24 and 28 cents during January, touching 31 in March, with consumption at a high mark and many of the larger mills working day and night. Prospects of a large crop and more cautious buying caused a reaction in prices to around 22 cents in July, when a second advance set in, carrying quotations above 37 cents, in November. These rapid changes in cotton prices had an extremely demoralizing effect on demand for finished goods particularly in the last half of the year.



CONSUMPTION, EXPORTS AND PRICES OF COTTON

Another disturbing factor was the apparent inability of manufacturers to mark up prices of finished goods to a point where fair profits could be realized without running into a buyer's strike. Production costs were not only increased by the rise in raw material prices, but labor was also able to maintain wage schedules at close to war levels. New England textile operatives succeeded in getting a 12½% pay increase.

The best showing in this branch of the industry was undoubtedly made by manufacturers of sweaters and other knitted outerwear. Hosiery mills did a fairly large business, but were handicapped by the keenest sort of competition, which made satisfactory profits impossible. Knitting mills reported various results, those producing winter underwear doing fair, with operations averaging 72% of ca-

(*Please turn to page* 58)

TEXTILE COMPANIES

(NEW YORK STOCK EXCHANGE)

Company	Year	Funded Debt.	Interest Times Earned	Preferred Outstanding	Pfd. Earned Per Share	Common Outstanding	Common Earned Per Share	Profit & Loss Surplus	Working Capital in Millions	Common Divs. Paid Per Share
AMERICAN WOOLEN CO.	1913	....	.....	$40,000,000	—$2.90	$20,000,000	—$9.95	$8,035,834	22.5	..
e Estimated.	1919	....	....	40,000,000	29.45	20,000,000	44.89	31,754,426	59.1	$16
	1920	....	.....	40,000,000	11.56	40,000,000	6.44	31,508,733	63.6	7
	1921	....	.....	40,000,000	15.02	40,000,000	8.02	31,915,381	62.8	7
	1922	....	.....	40,000,000	15.60	40,000,000	8.60	32,606,354	76.1	7
	1923	....	.....	50,000,000	e16.00	40,000,000	e10.50	NF	NF	7
CLUETT, PEABODY & CO.	1913	....	.....	6,000,000	24.54	18,000,000	8.57	1,663,084	6.5	..
	1919	....	.....	7,000,000	73.62	18,000,000	25.52	7,820,663	11.7	6
	1920	....	.....	8,482,000	23.63	18,000,000	10.29	5,770,773	9.5	8
	1921	....	.....	8,482,000	3.26	18,000,000	—3.25	5,185,233	9.1	1.50
	1922	....	.....	8,482,000	32.70	18,000,000	11.10	7,348,000	11.1	..
	1923	....	.....	8,482,000	NF	18,000,000	NF	NF	NF	5
CONSOLIDATED TEXTILE CORP.	1920	$10,368,000	$3.34	....	.....	802,911 shs	1.81	334,907	5.6	3.00
	1921	13,200,000	0.51	....	.....	801,039 shs	—0.78	—622,151	4.3	.75
	1922	12,950,000	def.	....	.....	1,274,264 shs	....	NF	8.6	..
	1923	12,950,000	.....	....	.....	1,273,895 shs	....	NF	...	..
J. KAYSER & CO.	*1913	....	.....	2,600,000	†18.20	7,550,000	†8.33	1,518,255	3.1	6
* Years ending Aug. 31. ** After recapitalization. †Based on new capitalization.	*1919	....	.....	1,959,600	22.10	6,595,000	11.36	5,041,172	6.8	8
	*1920	....	.....	1,800,400	15.24	6,611,500	7.54	5,370,705	4.7	8
	*1921	163,200	.....	1,656,400	9.35	6,611,500	4.26	4,580,259	5.2	6
	*1922	3,965,400	6.2	**66,115 shs	25.49	**115,700 shs	11.80	6,085,302	9.1	**3.33
	*1923	3,907,400	7.4	66,115 shs	25.60	115,700 shs	10.20	7,271,012	10.5	..
H. R. MALLINSON & CO.	1920	86,500	.....	3,000,000	11.50	200,000 shs	0.97	1,937,955	2.6	..
	1921	....	.....	2,850,000	11.87	200,000 shs	0.69	2,042,550	1.9	..
	1922	....	.....	2,700,000	24.00	200,000 shs	1.86	2,491,548	2.5	..
	1923	....	.....	2,700,000	44.00	200,000 shs	5.47	3,504,039	3.8	..
MANHATTAN SHIRT CO.	1913	....	.....	2,950,000	19.90	5,000,000	6.33	340,748	2.2	..
	1919	....	.....	1,600,000	70.33	5,000,000	4.61	1,479,494	3.8	3.62½
	1920	....	.....	1,600,000	35.88	5,000,000	1.86	1,625,647	3.8	1.75
	1921	....	.....	1,600,000	64.09	5,000,000	4.10	2,192,385	3.5	1.75
	1922	....	.....	1,600,000	106.72	7,090,173	6.40	1,128,028	4.6	$2 cash, 17½% stock
	1923	....	.....	1,600,000	106	7,030,173	5.79	1,931,348	5.3	3.00
VAN RAALTE CO.	1920	274,847	.....	†4,250,000	21.46	80,000 shs	7.92	761,024	2,731,268	..
† Including old 2nd pfd. at $100 a share.	1921	245,508	.....	4,250,000	30.20	80,000 shs	12.38	1,669,636	3,588,780	..
	1922	245,000	.....	4,250,000	26.00	80,000 shs	10.10	2,005,490	4,477,101	..
	1923	245,000	.....	4,112,500	NF	80,000 shs	NF	NF	NF	..

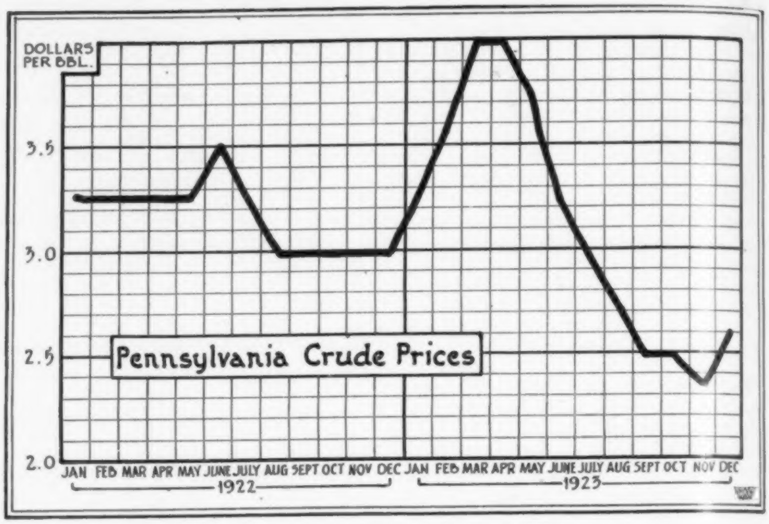
NF—Figures not available

1923 a Dark Oil Year

Over-Production Blasted Early Expectations—A Period of Retrenchment and Readjustment—A Silver Lining to the Dark Cloud

THE year 1923 in the oil industry began in hope and ended in hope. Between, however, was a dark chasm of despair. So that the year as a whole will go down in black in the annals of oil.

Starting off with a daily average production in this country of about 1,700,000 bbls. and an ascending scale of crude and refined prices, oil people looked forward confidently for a long period of expanding business and soul-satisfying profits. They were doomed to bitter disillusionment. Instead of worrying about shortage of oil the industry very soon began to worry about overproduction. And with good cause. For by the middle of the year the daily average of production of the United States had jumped up to over 2,000,000 bbls. per day as the graph herewith shows.



Production Over Consumption

This great output was considerably over the rate of consumption of crude and refined products. A lowering in prices for crude and refined was inevitable. For seven months, prices fell away, and it was not until the middle of November that the bottom was reached. About that time the great flood of oil from the two boom fields of southern California and the Powell field in Texas, began to subside sharply and the oil industry commenced to take heart. Prices not only struck bottom but began to recover gradually, and now show good recoveries from the low. The new year began with a feeling of confidence for the future throughout the oil world.

The trials of 1923 were occasioned solely by overproduction for consumption of petroleum products showed all that was expected of it. Output in California rose to well over 800,000 bbls. per day, which, if nothing further in the production line had developed, would not have been such a serious matter in view of the steadily decreasing output of Mexican light crude. But towards the middle of the year the Powell field in north central Texas became another Cushing field which upset the industry in 1908. From a meagre few thousands of barrels per day in June Powell leaped to over 300,000 bbls. per day in October. Powell was branded a "shoe-string" field at the time and its course in recent months has justified that characterization. But while it flourished the oil industry suffered from the acutest indigestion.

Year of Readjustments

The year, as a whole, then, was one of readjustments and retrenchments. Many of the weaker producers and refiners fell by the wayside or were gobbled up by their stronger brethren. It was a period of shakedowns and shakeouts. The companies which came through with flying colors may well be regarded as fire-hardened.

Effect on Small Companies

The important feature to recognize in connection with the activities of the oil industry in 1923 is the fact that only the larger companies such as the Standard Oil group were in a position to profit from the exceedingly low prices of crude and refined oil. Such companies as the Standard Oils and the largest and most prosperous of the so-called "independents" were in a position to buy and store some very cheap oil.

Their position was simply one of the buyer with a large surplus of cash waiting for the inevitable decline of prices to pick up some bargains. The sufferers naturally were the small and weaker companies who had to let go of their oil, in order to secure sufficient cash to enable

LEADING STANDARD OIL COMPANIES

Company	Year	Bonds Outstanding	Interest Times Earned	Preferred Outstanding	Pfd. Earned Per Share	Common Outstanding	Common Earned Per Share	Profit & Loss Surplus	Working Capital in Millions	Common Divs. Paid Per Share
STAND. OIL CO. OF CALIFORNIA	1913	....	.....	....	....	$44,934,000	$24.29	$35,088,743	$21.4	$10.00
	1919	....	.....	....	....	99,373,311	31.26	58,117,168	46.6	13.50
	1920	....	.....	....	....	99,373,311	41.53	122,303,708	47.3	14.00
* Stock changed to	1921	$25,000,000	21.10	....	....	100,971,111	*8.40	134,679,534	59.9	6.50
$25 par from $100.	1922	25,000,000	16.40	....	....	204,787,272	6.15	57,363,306	63.9	†4.00
† Also 100% in stk.	1923	25,000,000	NF	....	....	242,926,801	NF	NF	NF	2.00
STAND. OIL CO. OF INDIANA	1913	....	.....	....	....	30,000,000	48.96	15,303,742	23.6	32.00
	1919	250,500	.....	....	....	30,000,000	82.69	105,117,257	58.7	24.00
	1920	184,000	.....	....	....	88,038,313	*11.63	115,830,811	70.6	28.00+ 150% stk
* Par changed from $100 to $25. † Also	1921	110,500				107,360,455	4.96	143,222,710	47.2	4.00
100% in stock.	1922	93,500	.....	....	....	220,181,638	5.61	69,032,350	61.5	†4.00
	1923	....	.....	....	....	220,181,638	NF	NF	NF	2.50
STAND. OIL CO. OF NEW JERSEY	1913	....	.....	....	....	98,338,300	46.46	NF	NF	*60.00
* $40 from liquidation of subsidiaries.	1919	....	.....	$98,338,300	$79.30	98,338,300	77.72	498,292,561	357.6	20.00
‡ On old basis of	1920	....	.....	196,676,600	83.62	98,338,300	153.24	592,146,926	451.7	20.00
capitalization. ¶ Also	1921	....	.....	196,676,600	17.21	98,879,375	20.31	592,021,632	384.2	5.00
400% in stock.	1922	....	.....	199,972,900	23.12	498,587,125	‡32.64	206,168,995	386.6	¶5.00
	1923	....	.....	199,972,900	NF	498,587,125	NF	NF	NF	1.00

NF—Figures not available

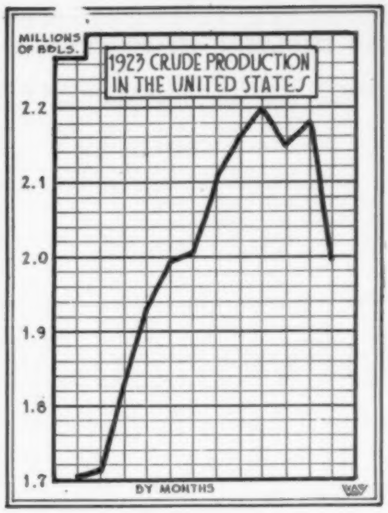
them to hold their heads above water. Some of these companies, even through such course of action were unable to resist succumbing to the tide which engulfed them, and fell easy victims of the depressing circumstances which surrounded them.

The Oil Market Commences to Show Some Life

Toward the close of the year, the oil market commenced to stiffen, but it was already too late to save some of these weaker companies. The effect on the big, prosperous companies, however, was extremely stimulating as they were in a position to hold their stored supplies for the inevitable advance in quotations. As they entered 1924 they were in the comfortable position of controlling a sellers' market which should become even more pronounced in the early part of 1924.

Nevertheless, the depression of 1923 had gone too far to permit any but very few of the larger companies to show important profits. They were compelled to write off some fairly large losses in inventories. This, however, is more than likely to be made up in the course of 1924.

The dark clouds of 1923 had their silver lining. Unbroken prosperity is bad for industries and corporations as well as individuals. The former, like individuals, are apt to lose the sense of proportion and the sense of values. In boom times in the oil business "wild-catting" develops inordinately, money is expanded extravagantly or even foolishly, and the principles of sound business are apt to go by the board.



Oil men face 1924 hopeful but sobered. Logical growth has replaced speculative expansion. There is every reason to believe that the trials and errors of the past year have been planted in fruitful ground and that the industry is now fundamentally sounder than ever before.

Of great importance in the oil industry was the continued lowered production of oil in Mexico. It is sufficiently clear at this time that the height of production of oil in the territory controlled by our southern neighbor has been seen and that that country has lost her former high ranking position as a producer. It is significant that the larger interests in the industry recognize this situation and have for some time been preparing to acquire oil-producing properties in other territories, particularly in California which has reached a position of being one of the largest producing fields in America.

Mexico

The elimination or comparative elimination of Mexico as an oil-producing region will have a great effect and in fact is having such an effect on limiting the production of the commodity. Certainly, it has largely offset the increase of oil arising from the California development. On the other hand, it must be considered that new sources of supply will probably be found which will, when this situation arises, again complicate conditions. This, however, is undoubtedly some time off and will probably not be a factor during 1924.

In the meantime, the oil companies of importance should profit from rising prices and increased demand for their products. Many of the ills which beset the industry in 1923 have disappeared or are disappearing, and the sounder companies are evidently in a position to face the future with confidence.

LEADING INDEPENDENT OIL COMPANIES

Company	Year	Bonds Outstanding	Interest Times Earned	Preferred Outstanding	Pfd. Earned Per Share	Common Outstanding	Common Earned Per Share	Profit & Loss Surplus	Working Capital in Millions	Common Divs. Paid Per Share
COSDEN & CO.	1919	$9,039,000	10.05	$3,594,455	$11.15	$18,523,345	$2.10	$15,765,553	$3.6	$0.50
	1920	7,773,000	15.16	3,595,040	18.85	20,549,424	16.39	19,004,594	7.5	1.87½
	1921	6,150,500	2.50	3,595,090	0.59	25,258,341	0.19	24,302,950	5.2	2.50
*Figures unavailable.	1922	35,500	....	6,996,710	78.25	34,107,420	4.25	23,712,621	10.0	2.87
	*1923	550,866	....	6,997,235	.....	1,232,232 shs	....	....	...	2.00
GENERAL ASPHALT CO.	*1914	3,846,126	....	14,000,000	9.30	17,000,000	6.61	2,977,145	3.4	....
	1919	2,883,140	9.70	7,885,400	11.33	19,171,900	3.82	4,118,547	3.9	....
e Estimated.	1920	5,765,000	10.80	7,541,100	19.28	19,688,350	5.51	5,042,593	7.6	....
* Year ending Jan. 31, 1914.	1921	5,410,900	‡321,100	7,436,100	.....	19,845,850	....	3,769,349	3.8	....
†Figures unavailable.	1922	5,068,500	4.3	7,416,000	8.24	19,876,000	1.21	3,848,287	4.6	....
‡Deficit.	†1923	5,068,500	e5.0	7,416,000	e10.00	19,876,000	e2.00	....	...	....
HOUSTON OIL CO.	1913	....	....	8,947,600	8.40	20,000,000	0.45	....	0.6	....
	1910	....	....	8,947,600	16.25	25,000,000	3.09	1,304,005	1.0	....
e Estimated.	1920	....	....	8,947,600	19.63	25,000,000	4.35	2,356,200	1.2	....
* Figures unavailable.	1921	....	....	8,947,600	16.90	24,968,600	3.35	3,109,795	1.4	....
	1922	....	....	8,947,600	19.63	24,968,600	4.35	2,346,258	1.3	....
	*1923	....	....	8,947,600	e18.00	24,968,600	e4.00	....	...	....
PHILLIPS PETROLEUM CO.	1919	....	....	....	.....	255,500 shs	—1.56	1,336,528	0.9	....
	1920	....	....	....	.....	660,000 shs	2.45	6,823,000	1.1	100% stock
	1921	3,500,000	16.10	....	.....	660,000 shs	5.98	6,374,000	3.4	$0.50
† Figures unavailable.	1922	3,336,000	48.00	....	.....	740,000 shs	13.20	7,842,000	2.7	1.50
	†1923	3,420,000	....	....	.....	1,184,427 shs	....	....	...	3.0
PURE OIL CO.	*1919	5,673,000	27.75	$9,002,100	$105.94	†$45,937,500	7.87	47,379,366	17.2	4.25
	*1920	15,460,188	15.10	10,000,000	56.44	45,937,500	4.93	45,977,515	15.3	3.00
	*1921	13,069,000	12.73	14,869,800	35.47	49,392,600	2.70	52,151,758	15.3	2.00
* Year ending Mar. 31.	*1922	11,059,000	7.40	20,000,000	2.58	52,882,625	....	46,414,400	14.3	2.00
† $25 par.	*1923	4,026,000	36.4	23,000,000	25.41	64,679,350	1.70	44,806,300	17.4	2.00
PAN-AMERICAN PETROLEUM & TRANSPORT CO.	1919	503,250	120.45	530,600	102.04	60,700,250	6.67	16,159,192	3.8	5.25
	1920	11,992,803	60.79	....	.....	70,176,450	9.70	15,560,971	0.9	6.00+ 10% stk
	1921	10,785,787	20.19	....	.....	70,176,450	12.05	25,457,423	def. 70,497	6.00
* Figures unavailable.	1922	16,114,950	29.43	....	.....	106,167,478	19.40	30,830,122	37.8	6.00+ 25% stk
	*1923	....	....	....	.....	....	....	....	...	
SINCLAIR CONSOLIDATED OIL CORP.	1919	6,273,224	....	....	.....	191,471,943	2.55	16,857,798	35.7	....
	1920	53,713,229	....	247,700	.....	192,230,605	4.74	34,624,229	53.8	....
	1921	51,292,691	....	322,400	.....	193,018,441	—1.06	27,114,190	46.8	....
* Figures unavailable.	1922	54,855,074	....	20,000,000	73.61	204,052,441	3.20	30,804,178	61.6	1.00
	*1923	79,355,073	....	20,000,000	.....	204,052,441	....	....	...	2.00
TEXAS CO.	1913	16,400,000	....	....	.....	27,000,000	24.68	7,500,000	26.9	6.00
	1919	14,798,000	....	....	.....	85,000,000	24.20	77,505,491	71.1	*10.00
* Old stock $100 par, now $25.	1920	32,749,000	....	....	.....	130,000,000	7.16	83,342,793	117.0	*11.50
† Figures unavailable.	1921	27,730,000	....	....	.....	164,450,000	1.54	83,549,181	122.1	‡3.00
‡ Also 10% stock.	1922	....	....	....	.....	164,450,000	4.05	94,476,397	111.2	3.00
	†1923	3,200,000	....	....	.....	164,450,000	....	....	...	3.00

MISCELLANEOUS MINING AND SMELTING SHARES LISTED ON N. Y. STOCK EXCHANGE

Company	Com. Shs.	Earnings Per Share $ 1913	1919	1920	1921	1922	Dividends Paid $ 1913	1919	1920	1921	1922	1923	1923 Price R'ge High	Low	Last	Working Capital 1922 Millions	Per Sh.
Am. Smelting.....	609,980	7.47	2.22	4.02	L	3.23	4.00	4.00	4.00	1.00	....	3.75	69	51	..	$47.69	$78.00
U. S. Smelting....	351,115	5.36	14.07	3.44	L	1.19	3.00	5.50	5.00	....	....	....	43	18	..	11.69	33.30
Butte & Sup......	290,198	3.47	2.98	0.65	L	L	....	....	....	....	0.50	....	37	12	..	1.85	6.40
Dome	474,250	1.15	L	0.88	0.68	†3.94	....	....	1.00	1.00	1.00	2.00	22	15	..	2.02	4.30
Homestake	251,160	9.02	L	L	1.94	3.16	8.80	4.50	....	2.00	3.00	6.00	79	54	..	2.39	9.10
Int'l Nickel.......	1,673,384	4.16	3.22	1.32	0.89	†L	10.50	0.50	....	....	....	....	16	10	..	9.43	5.60
St. Joseph Ld.....	1,549,413	....	0.75	1.94	....	2.58	0.50	1.10	2.00	1.00	1.25	2.00	23	17	..	6.68	4.40

† Year ending March 31, 1923. L—Deficit.

1923 an Uneventful Metal Year

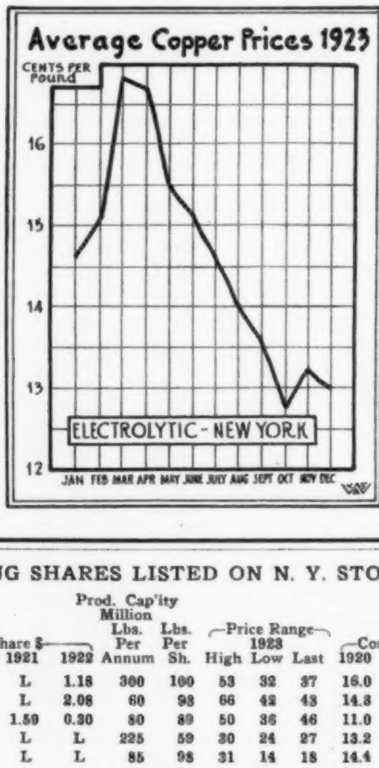
One of Fair Prices with Higher Tendencies Towards the End—Copper a Disappointment —Tin Erratic, Lead Firm and Zinc Steady

THE year 1923 was one of comparative inactivity in the metals. That is, inactivity as contrasted with the wild fluctuations which characterized the war period and the great declines in metal prices during the immediate post-war period. On the whole, last year was one of hardening metal prices, so that in conjunction with 1922, producers of metals were encouraged in the belief that the metals industries have at last arrived at a measure of stabilization. All the metals made their high prices for the year in the first quarter, copper, lead, zinc and tin reaching their top levels in the month of March. Then followed a decline, which, with the exception of copper, reached its low point in July, to be succeeded by a substantial recovery.

As a whole, the year was one of fair prices in the non-ferrous metals, and prices which permitted of fair profits. The new year opened with a prospect of the continuance of the gradual upward trend which marked the last quarter of 1923.

A Disappointing Copper Year

January showed an average price of 14½c a lb. for electrolytic copper, but the month of December showed an average price of 12.8c. for the red metal. That the year as a whole was a disappointing one to the producers of copper, goes without saying. For the first three months the price of copper rose slowly and steadily, only to sag until almost the end of the year, when a slight improvement was shown. As is well known, the bug in the copper ointment is that of over-production and the fact that Europe's post-war demand has been kept at a minimum because of disturbed conditions abroad. The matter of the settlement of the foreign situation is one which the copper producers must leave to circumstance, but the matter of over-production is within their power to alleviate. As long as Europe is in a disturbed condition and as long as the great mines of this country and South America produce at their present huge rate, so long will it be useless to look for any striking advance in copper prices. It seems that the copper producers are bestirring themselves for there are several rumored copper consolidations and doutless others which have been given no publicity.



Firm Market for Lead

The monthly average price of lead showed a range of about 2c a lb. in 1923, the high being 8.2 and the low 6.2c. It is of interest to note that in the twenty-two years preceding 1914 the highest price of pig lead was 6.35c a lb. which touched in 1906 and again in 1907. During the war, in 1917 to be exact, the

(Please turn to page 64)

COPPER-MINING SHARES LISTED ON N. Y. STOCK EXCHANGE

Coppers	Common Shares Outstanding	Earnings Per Share $ 1913	1919	1920	1921	1922	Prod. Cap'ity Million Lbs. Per Annum	Lbs. Per Sh.	Price Range 1923 High	Low	Last	Cost Per Lb. c 1920	1921	1922	Est. 1923	Working Capital 1922 Millions	$ Per Share	Ore Reserves Million Tons	% Copper
Anaconda	3,000,000	2.62	2.19	1.15	L	1.18	300	100	53	32	37	16.0	17.0	14.0	12.0	52.8	17.60	138	1.50
Cal. & Ariz....	642,522	6.62	2.96	4.99	L	2.08	60	93	66	42	43	14.3	15.4	15.6	12.5	6.5	10.30	64	1.45
Cerro	911,972	....	5.67	3.79	1.59	0.30	80	89	50	36	46	11.0	9.5	9.0	7.0	12.7	13.80	14	5.00
Chile	3,800,000	....	L	0.54	L	L	225	59	30	24	27	13.2	10.8	8.7	6.7	15.5	4.00	684	2.12
Chino	869,980	3.75	1.50	1.52	L	L	85	98	31	14	18	14.4	14.5	11.2	14.0	1.0	1.10	104	1.53
Granby	180,004	7.55	L	L	L	L	30	167	33	12	15	16.7	12.1	9.2	10.0	1.0	5.50	11	2.24
Greene	500,000	4.69	2.20	1.12	L	L	60	120	34	13	14	16.8	14.2	18.3	12.0	2.3	4.60	10	2.43
Inspiration	1,181,967	....	3.54	1.94	L	0.02	120	100	43	23	25	14.2	15.2	12.0	11.0	5.5	5.50	71	1.63
Kennecott	2,788,213	5.68	2.04	2.79	1.39	0.29	400	140	45	29	35	10.8	9.9	8.7	8.3	31.0	11.40	262	3.26
Magma	240,000	....	0.75	0.42	L	L	24	100	38	27	37	18.3	14.9	*	*	2.2	9.10	2	5.60
Miami	747,114	1.74	2.00	3.86	1.24	L	69	87	30	20	22	12.4	11.3	9.7	8.0	6.4	8.60	15	2.15
Nevada	1,999,457	1.74	0.61	0.12	L	L	90	45	18	9	12	17.3	12.3	9.6	10.0	6.1	3.20	62	1.58
Ray	1,577,179	1.84	1.06	0.58	L	L	85	511	17	9	11	15.6	16.2	12.4	12.2	4.9	3.30	82	2.07
Utah	1,624,490	5.38	5.08	3.03	L	1.04	225	138	76	55	64	13.1	11.6	*	8.0	14.0	8.70	361	1.35

* Not available. L—Deficit.

Improvement in Machinery Trade

Manufacturers of Electrical Equipment Unusually Prosperous in 1923—Agricultural Machinery and Machine Tool Makers Do Moderately Well

BY far the best showing in the machinery business during the past year was made by the manufacturers of electrical equipment. Sales of the three largest companies gained steadily throughout the year, and shipments were large, yet at the beginning of 1924, their aggregate amount of unfilled orders were equivalent to very nearly a six months' output, figured on the then current rate of production.

This offers a very fair example of what took place in one particular branch of the trade. Prices were satisfactory throughout the twelve-months period, and margin of profit was wide. Foreign business increased to such an extent that the total volume was greater than in any previous year.

As has been the case for some time past, sales of household and electrical devices furnished a very substantial part of income, the market for this class of electrical products continuing to expand at an unusually fair rate. On the other hand, the most spectacular increase was made in the sales of radio materials. Volume of business done by the Radio Corporation of America, which is jointly controlled by General Electric and Westinghouse (these two companies manufacturing the products sold), showed a gain of more than 50% over the previous year. Western Electric, manufacturer of telephone equipment, reported an unprecedented increase in sales of this class of products, sales of telephone transmitters alone showing an increase of approximately 35% over the total for 1922.

MONTHLY SALES OF MACHINE TOOLS

NEW YORK DISTRICT

Index Figure—Average 1919 Monthly Sales = 100%.

	1922	1923
January	18.1	52.5
February	15.7	72.3
March	24.1	84.9
April	21.9	73.2
May	24.5	72.5
June	32.7	68.1
July	34.4	70.8
August	33.2	55.2
September	43.1	41.3
October	60.5	52.2
November	43.3	45.5
December	58.3	55.0

The large volume of unfilled orders on hand at the close of the year gave definite assurance of sustained activity for the electrical division of the industry for at least the greater part of the current year. There have been no signs of probable increases in raw material costs or wages, and it appears likely that earnings will continue to be satisfactory.

Machine Tool Trade

A few manufacturers of machine tools, especially those producing specialized types, were able to do extremely well in 1923, but the great majority reported but just a little improvement over the previous year.

As can be seen from the accompanying index figures of sales in the New York District, which are fairly representative, there was a substantial increase in business during the first quarter. This was followed, however, by a gradual decline which set in in April and right up to the end of the year. Domestic demand for machine tools was not only very modest but foreign buying was curtailed as well. The unsettled conditions prevailing in Europe prevented expansion of manufacturing and discouraged owners from retooling their existing plants. The rates of exchange also worked against our machine-tool manufacturers in competition with European makers.

Nevertheless, there were some constructive developments that are worthy

(*Please turn to page* 63)

MACHINERY COMPANIES

Company	Year	Funded Debt	Interest Times Earned	Preferred Outstanding	Pfd. Earned Per Share	Common Outstanding	Common Earned Per Share	Profit & Loss Surplus	Working Capital	Common Divs. Paid Per Share
ADVANCE-RUMELY * M. Rumely Co.	*1912	....	.....	$10,000,000	$18	$10,908,000	$10.8	$500,000	$11,400,000	..
† Yr. ended Dec. 31, 1916 — first year of	†1915	$844,000	2.4	12,500,000	2.28	13,750,000	....	283,000	14,752,000	..
operation of present	1919	962,000	25.0	12,500,000	19.25	13,750,000	12	3,676,000	14,505,000	..
corporation which succeeded M. Rume-	1922	844,000	2.1	12,500,000	1.10	13,750,000	....	1,442,000	11,564,000	..
ly Co. following readjustment.	1923	844,000	NF	12,500,000	NF	13,750,000	....	NF	NF	..
ALLIS-CHALMERS	*1912	....	.....	16,500,000	4.77	26,000,000	....	755,000	10,000,000	..
	1915	....	.....	16,500,000	6.80	26,000,000	0.49	1,332,000	12,000,000	..
	1919	....	.....	16,500,000	22.2	26,000,000	9.57	10,289,000	22,000,000	..
* April 16 to Dec.	1922	....	.....	16,500,000	13.39	26,000,000	4.09	11,989,530	23,838,021	$4
31, 1913.	1923	....	.....	16,500,000	22.00	25,770,000	6.00	NF	NF	4
INTERNATIONAL HARVESTER	1912	....	.....	60,000,000	27	80,000,000	12.5	31,536,000	112,000,000	5
Int. Harv. of N. J.	1915	....	.....	30,000,000	28.5	40,000,000	16	27,448,000	63,000,000	5
Int. Harv. of N. J. Int. Harv. Corp.				30,000,000	12.4	40,000,000	4	20,000,000	73,000,000	..
	*1919	....	.....	60,000,000	35	80,000,000	21	71,600,000	156,200,000	6
* International Har-	*1922	....	.....	60,200,000	9.20	94,116,000	1.35	52,201,673	143,721,000	5
vester Co. as at present.	*1923	....	.....	60,200,000	NF	97,918,000	NF	NF	NF	5
GENERAL ELECTRIC	1912	12,300,000	24.6	....	.....	101,200,000	16.2	12,000,000	75,000,000	8
	1915	12,000,000	21.6	....	.....	101,500,000	11.5	23,692,000	78,500,000	8
	1919	27,000,000	12.0	....	.....	120,500,000	21	64,000,000	135,900,000	8
	1922	22,677,000	6.7	*8,718,000	29.90	175,625,000	14.90	73,167,048	179,600,000	8
* $10 par value.	1923	22,600,000	NF	17,716,000	NF	175,624,000	NF	NF	NF	8
CHICAGO PNEUMATIC TOOL	1912	....	4.69	....	.....	6,485,000	9.27	2,000,000	2,600,000	4
	1915	2,500,000	4.13	....	.....	6,485,000	8.2	2,278,000	2,981,000	4
	1919	2,967,000	2.23	....	.....	6,448,000	10.3	2,851,000	5,785,000	6½
	1922	....	.....	....	.....	11,381,900	4.26	2,406,185	7,539,409	4
	1923	....	.....	....	.....	11,381,900	NF	NF	NF	5
WESTINGHOUSE ELECTRIC	*1912	30,437,000	3	4,000,000	61	36,700,000	6.1	6,648,000	29,000,000	..
* Yr. ended Mar. 31.	*1915	23,116,000	3	‡4,000,000	3.5	‡37,325,000	2.3	7,473,000	28,500,000	3.00
‡ Par $50 after 7%	*1919	36,275,000	7.6	4,000,000	10.0	70,800,000	10.0	36,200,000	69,600,000	3.50
on both issues, preferred and common,	*1922	36,249,000	2.8	4,000,000	3.9	70,800,000	3.9	42,300,000	65,352,000	4.00
share alike.	1923	36,247,000	5.9	4,000,000	8.1	70,800,000	8.1	48,554,142	90,286,742	4.00

NF—Figures not available

Retail Trade Conditions in 1923

A Banner Year for Most Large Retail Organizations —Mail-Order Business—Chain and Department Stores

SUBSTANTIAL increases in volume of sales during 1923 were reported in practically all branches of retail trade. The buying power of the consumer was of large proportions. The fact that bank deposits failed to keep pace with the rise in wages is a very good indication of the extent to which available spending money was diverted to the purchase of necessities and luxuries.

An outstanding feature of the retail business during the past year was the comparatively better showings made by the larger organizations. This no doubt resulted from an increasing superiority of their methods of merchandising and a growing appreciation of this fact on the part of the buying public.

MAIL-ORDER BUSINESS

The combined sales of Sears, Roebuck & Co., and Montgomery, Ward & Co. for 1923 were approximately 350 million dollars, an increase of 75 millions over the previous year. Sales of the former rose 18% to 215.5 millions and those of the latter about 45% to a record total of 134 millions. Since the greater part of the mail-order business is confined to these two houses, their results are fairly well indicative of the conditions prevailing in this branch of retail trade.

It was apparent even before the close of 1922 that the past year's results would be favorable. The ill effects of the 1921 depression had practically all disappeared. Burdensome inventories had been worked off, cash positions strengthened, and prices stabilized at sufficiently high levels to allow profits. The steady increase in the number of orders received during the last quarter of 1922 pointed toward definite and sustained improvement.

The farmers are easily the most important customers of the mail-order houses, and the improvement in the financial conditions of the agricultural sections of the country during the past year was of immeasurable benefit. While wheat farmers and raisers of live stock were not prosperous, due to the low prices received for their products, other agriculturalists were in a somewhat different position. A fair corn yield and extremely high prices for this commodity contributed largely to their general prosperity. Although the cotton crop was much below normal, the spectacular rise in cotton prices allowed a good margin of profit. It is estimated that the value of all 1923 crops was close to one billion dollars in excess of the total value of those for the previous year.

This greater amount of money in the hands of the farmers was greatly reflected in mail-order sales right after har-

(*Please turn to page* 61)

MAIL-ORDER COMPANIES

Company	Year	Funded Debt	Interest Times Earned	Preferred Outstanding	Pfd. Earned Per Share	Common Outstanding	Common Earned Per Share	Profit & Loss Surplus	Working Capital	Common Divs. Paid Per Share
SEARS, ROEBUCK & CO.	1912	....	.....	$8,000,000	$99	$40,000,000	$19.3	$12,000,000	$9,000,000	$7
	1915	....	.....	8,000,000	139	60,000,000	17.5	10,141,000	19,424,000	7
	1919	....	.....	8,000,000	251	75,000,000	26.0	33,574,000	43,201,000	8
	1922	$16,800,000	.....	8,000,000	71	100,000,000	5.15	6,621,587	70,825,875	..
	1923	....	.....	8,000,000	143	100,000,000	10.95	17,576,017	65,967,681	..
MONTGOMERY, WARD & CO. * Yr. ended Dec. 31, 1913. Incorporated Jan., 1913. † According to capitalization readjusted company, Nov., 1919. ‡ On old 300,000 shares common. ** Also 205,000 shares of 7% pf. of no par value.	*1912	....	.....	5,000,000	33	200,000 shs	2.77	1,331,000	9,000,000	..
	1915	....	.....	5,000,000	49	300,000 shs	5.4	1,950,000	10,500,000	3
	†1919	....	.....	8,000,000	54	850,000 Com. 205,000 Cl. A 95,000 Cl. B	4	11,400,000	41,300,000	‡10
	1922	....	.....	**4,249,000	107	1,141,000 shs	2	4,217,000	18,328,000	..
	1923	....	.....	**4,249,000	171	1,141,000 shs	4.30	11,166,259	24,070,932	..
NATIONAL CLOAK & SUIT CO.	1912			Incorporated June, 1914.						
	1915	....	.....	$4,850,000	20.7	$12,000,000	5.5	1,530,000	1,703,000	..
	1919	....	.....	4,180,000	37.8	12,000,000	11.2	4,577,000	4,000,000	5
	1922	4,500,000	.....	4,180,000	42.8	12,000,000	12.4	3,007,000	6,959,000	..
	1923	....	.....	7,757,000	27.2	12,000,000	14.0	4,012,178	7,515,000	..

CHAIN STORES

Company	Year	Funded Debt	Interest Times Earned	Preferred Outstanding	Pfd. Earned Per Share	Common Outstanding	Common Earned Per Share	Profit & Loss Surplus	Working Capital	Common Divs. Paid Per Share
UNITED CIGAR STORES * Yr. ended Dec. 31, 1913. Incorporated July, 1912.	*1912	....	.....	$4,527,000	$50	$27,162,000	$7	$1,443,000	$1,300,000	$5½
	1915	....	.....	4,527,000	51	27,162,000	8	2,065,000	2,250,000	6½
	1919	....	.....	4,527,000	98	27,162,000	15	5,759,000	7,716,000	4½
	1922	$6,000,000	.....	4,527,000	96	32,865,000	12	6,518,000	16,325,000	5
	1923	6,000,000	.....	4,527,000	NF	32,865,000	NF	NF	NF	9
McCRORY STORES CORP. * In common stock.	1912	....	.....	Incorporated 1915	..	....	..	....	....	..
	1915	....	.....	1,250,000	28	5,000,000	2⅓	185,000	900,000	..
	1919	....	.....	1,124,000	42	5,000,000	6⅓	1,250,000	1,638,000	..
	1922	....	.....	963,000	123	6,209,000	17	1,219,981	4,068,000	*4%
	1923	....	.....	3,000,000	60	313,000 shs	5	NF	NF	..
WOOLWORTH *Preferred redeemed Feb. 1, 1923.	1912	....	.....	15,000,000	36	50,000,000	8.7	3,364,000	9,500,000	$2
	1915	....	.....	13,500,000	55	50,000,000	12.7	11,576,000	15,000,000	6¾
	1919	....	.....	12,500,000	83	50,000,000	18	25,000,000	19,849,000	8
	1922	....	.....	10,000,000	183	65,000,000	26	10,663,000	25,239,000	10
	1923	....	.....	*.......	..	65,000,000	31.8	13,161,569	27,369,369	8
S. H. KRESS & CO. * 1915.	1912	....	.....	Incorporated 1916	..	....	..	....	....	..
	*1915	....	.....	4,000,000	33.8	12,000,000	9	1,542,000	3,551,000	..
	1919	....	.....	3,553,000	56.2	12,000,000	14	4,718,000	6,444,000	4
	1922	....	.....	3,322,000	96	12,000,000	23	8,144,000	8,178,000	4
	1923	....	.....	3,266,500	101	12,000,000	27	10,917,000	11,413,532	4
S. S. KRESGE CO. * 8 mos. to Dec. 31.	1912	....	.....	2,000,000	*25	5,000,000	*6.8	347,000	1,400,000	..
	1915	....	.....	1,800,000	71	10,000,000	23.3	....	2,765,000	6
	1919	....	.....	2,000,000	114	10,000,000	21	5,326,000	5,558,000	6
	1922	4,850,000	.....	2,000,000	330	18,228,000	35	9,888,000	12,303,000	7
	1923	2,206,000	.....	2,000,000	470	24,519,000	38	11,161,180	12,783,789	8

NF—Figures not available

DEPARTMENT STORES

	Year	Associated Dry Goods Corporation	May Dept. Stores Company*	National Department Stores, Inc.	Gimbel Bros., Inc.†	R. H. Macy & Company‡
Funded Debt	1920	....	....	Incorp'ted	Incorp'ted	Incorp'ted
	1921	....	....	Dec. 22, '22	Aug. 22, '22	May 28, '19
	1922	....	....	$1,872,400	....	$641,000
	1923	....	....	1,872,400	....	79,000
Interest Times Earned	1920	....	....	....	....	....
	1921	....	....	....	....	....
	1922	....	....	....	....	....
	1923	....	....	e45.00	....	....
Preferred Outstanding	1920	$20,544,200	$6,500,000	....	....	....
	1921	20,544,200	6,250,000	....	....	....
	1922	20,544,200	6,000,000	8,300,000	$15,000,000	10,000,000
	1923	20,544,200	5,750,000	8,300,000	15,000,000	10,000,000
Pfd. Earned Per Share	1920	a$13.80	$83.80	....	....	....
	1921	a20.50	75.30	....	....	....
	1922	a27.21	66.85	38.00	$23.50	$23.00
	1923	e29.00	94.70	e55.00	33.40	31.35
Common Outstanding	1920	$14,985,000	$15,000,000	....	....	....
	1921	14,985,000	20,000,000	....	....	....
	1922	14,985,000	20,000,000	$5,039,717	$7,048,009	$12,381,853
	1923	14,985,000	26,000,000	....	9,301,381	12,381,853
Common Earned Per Share	1920	$4.15	$32.30	....	....	....
	1921	10.25	20.40	....	....	....
	1922	16.44	17.25	....	....	$3.40
	1923	e18.00	24.75	e7.00	$7.90	6.00
Profit & Loss Surplus	1920	$4,876,357	$7,956,000	....	....	....
	1921	5,807,295	5,557,000	....	....	....
	1922	7,583,536	8,572,674	z	z	$3,549,868
	1923	....	5,831,292	z	z	5,788,230
Working Capital	1920	403,069	$11,687,965	....	....	....
	1921	510,929	13,375,628	....	....	....
	1922	796,958	16,249,652	6,374,204	$12,982,275	12,528,023
	1923	....	19,809,238	....	14,953,270	12,112,877
Common Div. Paid Per Share	1920	$3.00	$4.00	....	....	....
	1921	4.00	4.00	....	....	....
	1922	4.00	4.00	....	....	....
	1923	4.00	5.00	....	....	....

* Years ended Jan. 31st. † Years ended Jan. 31st. ‡ Years ended Feb. 23. a 1st preferred. z Common stock and surplus combined. e Estimated.

Troubles of the Leather Industry

Hardsledding for Tanners in 1923—Record Shoe Production—Fair Profits Made by Manufacturers

A SEVERE depression has existed in the tanning division of the leather industry for the past four years. There was some improvement in conditions during the latter half of 1922, but it was of short duration. Developments in the past year were practically all unfavorable.

The fundamental cause of distress to the tanners has been an overproductive capacity coupled with a relatively poor growth in annual leather consumption. It is estimated that total consumption of sole leather during 1923 was less than 1% greater than the total for the year previous, which was in turn below the corresponding figures for many pre-war years. Consumption of upper leathers likewise showed a rather small gain in volume. More than 95% of all leather tanned in this country goes into the manufacture of shoes, and, as shoe production increased more than 10% during the past year, it is evident that leather substitutes, such as rubber heels and soles, paper innersoles, and cloth uppers, were used to a much greater extent.

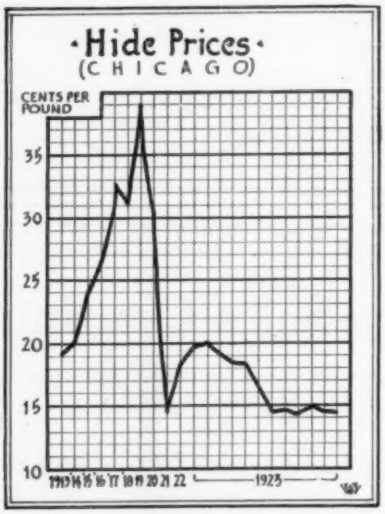
Tanning Situation

At the beginning of the year, tanners were operating at two-thirds capacity and were making money due to the fact that stocks of hides in process had been accumulated at the extremely low prices prevailing in the summer of 1922. A subsequent rise in leather prices allowed an unusually wide margin of profit. In March, however, the situation again became unsatisfactory. Sales had not kept pace with production, and excessive inventories resulted in price declines in both hides and leathers of from 20 to 35%. Shoe manufacturers ceased buying, and tanners' leather stocks began accumulating. In the last six months of 1923 operations were reduced to less than one-half of capacity and in this way many companies were able to materially improve their inventory position. Large write-offs were necessary, however, to reduce stocks to market value, and deficits were reported for the year.

Shoe manufacturers were more fortunate. As previously stated, production increased about 10% to a record figure of more than 350 million pairs. Prices declined during the twelve months' period, but not to such an extent as to seriously affect profits. Labor costs increased, and style variations went to a new extreme, thus increasing operating expenses. While earnings were not as large as might have been expected due to these several factors, they were nevertheless satisfactory.

Lack of Foreign Demand

A situation of importance to the entire industry was the lack of improvement in the foreign demand. Exports of finished leathers, which had fallen off considerably for several years, declined still further during 1923. An increase in buying power in other parts of the world is practically essential to a return of prosperity among domestic tanners, and would provide a material increase in manufacturers' volume of business.



In contrast with a poor export market, there was a remarkable gain in 1923 imports of both leather and finished leather. Both France and Germany sent over large quantities of upper leather and fabric, while incoming shipments of footwear from England, France, Switzerland and Austria increased enormously. This was made possible by low labor cost abroad compared with our own, and the advantage to the American buyer in the dollar exchange. Under the present tariff, leather footwear is free of duty, and the desperate need for business in foreign countries has caused European manufacturers to crowd our market to an alarming extent.

During the past year there were many voluntary liquidations among both tanners and manufacturers, which offers some evidence as to how many men in the industry view the future.

Position of Shoe Manufacturers

The outlook for the tanning division of the industry in 1924 was not clearly defined at the close of the year, although it was evident that the statistical position of both hides and leathers was greatly strengthened. It remains to be seen whether a sufficient demand for leather can be created to warrant satisfactory plant operations. Prospects were again favorable for shoe manufacturers. Their profits should at least be as large in the current year as in the one just ended.

LEATHER COMPANIES

Company	Year	Bonds Outstanding	Interest Times Earned	Preferred Outstanding	Pfd. Earned Per Share	Common Outstanding	Common Earned Per Share	Profit & Loss Surplus	Working Capital in Millions	Common Divs. Paid Per Share
AMERICAN	*1913	$5,506,000	1.90	$13,000,000	3.66	$11,500,000	nil	$3,179,114	9.07	None
HIDE &	*1919	2,507,000	5.06	13,000,000	20.73	11,500,000	$15.52	9,540,929	14.86	None
LEATHER CO.	*1920	36,480	12.96	13,000,000	8.50	11,500,000	1.69	9,406,693	12.53	None
	1921	22,240	.....	13,000,000	d	11,500,000	nil	3,634,938	5.79	None
* Years ended	1922	None	.....	13,000,000	7.90	11,500,000	1.00	4,670,000	7.0	None
June 30th.	1923	None	.....	13,000,000	d	11,500,000	nil	NF	NF	None
	*1913	None	.....	4,000,000	17.76	6,000,000	7.17	430,464	3.89	None
BROWN SHOE	*1919	None	.....	5,400,000	37.54	6,300,000	18.21	3,338,766	9.43	$6.0
CO., INC.	*1920	None	.....	5,262,500	6.81	8,400,000	nil	1,047,951	9.31	7.0
	*1921	None	.....	5,262,500	nil	8,400,000	nil	459,698	7.93	None
* Years ended	*1922	None	.....	5,262,500	24.60	8,400,000	9.38	1,382,522	9.03	None
Oct. 31st.	1923	None	.....	4,812,000	25.0	8,400,000	8.9	2,206,000	9.2	1.0
	1913	35,762,150	3.33	33,299,050	13.20	39,701,030	5.18	6,437,828	52.94	2.0
CENTRAL	1919	28,978,650	8.77	33,299,050	42.91	39,701,030	30.12	30,509,274	88.70	9.0
LEATHER	1920	27,889,650	d	33,299,050	d	39,701,030	nil	4,757,608	62.52	2.5
COMPANY	1921	26,329,650	d	33,299,050	d	39,701,030	nil	d6,893,818	51.19	None
	1922	24,649,000	1.8	33,298,050	4.58	39,701,000	nil	d5,365,000	52.6	None
d Deficit.	1923	24,649,000	.....	33,298,050	nil	39,689,000	nil	NF	NF	None
	1913	....	.....	....	.....	....	.....	....	.....	...
ENDICOTT-	1919	None	.....	15,000,000	33.70	14,000,000	15.24	7,900,836	18.77	5.0
JOHNSON	1920	None	.....	14,550,000	21.78	16,379,090	5.47	7,900,836	17.80	5.0
CORPORATION	1921	None	.....	14,100,000	32.47	16,856,825	9.50	8,912,158	19.00	5.0
	1922	None	.....	13,650,000	40.00	16,856,825	12.5	12,649,052	21.1	5.0
	1923	None	.....	13,650,000	31.00	20,253,000	7.95	NF	21.5	5.0

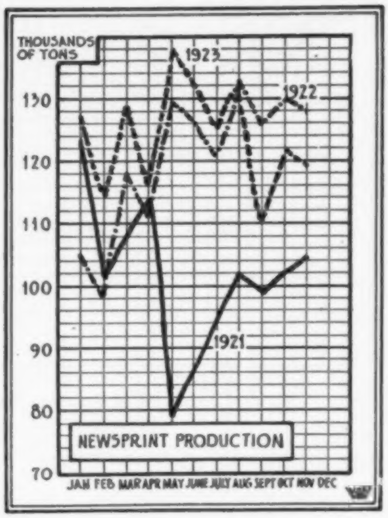
NF—Figures not available

Stable Conditions in the Paper Industry

Prices Unusually Firm During 1923—Record Newsprint Production and Consumption—Many Companies Prosper

THE past year in the paper industry began with production increased over the average for the year previous and prices for most grades of paper advancing. This was in greater part due to the favorable conditions prevailing in general business, as demand for paper rather closely parallels the industrial movement.

Newsprint production was at the rate of 127,500 tons monthly during January, 1923, and prices were around 3.88 cents per pound. By May, production had increased to 138,900 tons with no decline in quotations. Even during the usual summer dulness, business held up comparatively well, with shipments around the high levels of the year, and stocks on hand far below normal. A slight let-up in demand in the pre-holiday period developed a sagging trend in prices of newsprint, but final quotations around 3.80 cents per pound compared very favorably with the average of 3.67 cents in 1922.



Increased Domestic Consumption

For the entire year, domestic mills produced 1.4 million tons of newsprint, exceeding by approximately 3% the output for the previous year. This was a better showing than in any twelve-month period, except 1920, when a record of 1.5 million tons was established. Combined production of all newsprint mills in North America, that is including those in Canada, totaled 2.8 million tons, surpassing by nearly 9% the previous peak figure of 2.5 million tons in 1922. This speaks very well for Canada, as the per cent of increase exceeded 17% in that section of the continent.

As is to be surmised from these figures, consumption of newsprint in the United States showed a large increase, and is estimated to have been at least 15% in excess of the 1922 totals. More than 80% of Canadian production was consumed in this country. Adding imports and domestic production and then deducting exports, it appears that more than 50 lbs. of newsprint were available for consumption per capita during 1923, compared with only 15 lbs. about twenty-four years ago. This great gain has, of course, been due to the more widespread demand for newspapers and periodicals and to the increased use of advertising. For the past year alone, the total volume of newspaper advertising showed an estimated increase of 7% over 1922, and more than 2% over the (previous) record figure.

As regards other classes of paper, it may be said that conditions were, on the whole, favorable. Wrapping paper prices were strong throughout the year, advancing from an average of 9.3 cents per pound for Manila No. 1 jute at New York in January to 9.38 cents per pound in December. Production was at a much higher level than in the year previous. Writing paper prices showed no change of any importance.

Many companies were able to make fair profits in 1923, despite rather stiff competition and higher costs of production. For the first three quarters of the year, alone, the International Paper Company reported net profits equal to about $9 a share on its common stock, which is unusually good when considered in comparison with 1922 results. Operating loss for the previous year totaled 4.7 million dollars before preferred dividends. On the other hand, Union Bag and Paper Company should report about the same amount of net earnings as in 1922, roughly $7 a share on the common stock. This company did not suffer to any great extent from the recent depression in the paper industry, and operations have been running rather smoothly.

Outlook for 1924

At the close of the year, there were no apparent indications of any important change in conditions during 1924. Practically all grades of paper were experiencing a rather strong demand, and the price tendency seemed to be higher. Production was going along at a safe level with stocks on hand within reasonable proportions. As no increase in wage scales is anticipated in the current year, there should be no cause for a shrinkage in profits.

There are several factors in the long-term outlook that became increasingly apparent during the past year, however, and deserve mention. One is our growing dependency on Canada for supply of newsprint. During the past ten years Canadian production has shown a steady expansion in nearly every twelve-month period, and it will probably not be long before practically our entire supply will come from this source. Secondly, the increased cost of production is to be considered. The manufacture of wood pulp and paper will follow the supply of raw material, and, as forests recede, costs will mount higher and higher, which will naturally be reflected in prices to the consumer. This will, of course, not necessarily affect margin of profit.

PAPER COMPANIES

Company	Year	Funded Debt	Interest Times Earned	Preferred Outstanding	Pfd. Earned Per Share	Common Outstanding	Common Earned Per Share	Profit & Loss Surplus	Working Capital	Common Divs. Paid Per Share
AMERICAN WRITING PAPER	1912	$17,000,000	1.4	$12,500,000	$2.7	$9,500,000	None	$877,000	$4,900,000	..
	1915	17,000,000	0.8	12,500,000	None	9,500,000	None	288,000	5,816,000	..
	1919	9,295,000	1.64	12,500,000	3.4	9,500,000	None	6,620,000	6,536,000	..
	1922	9,293,000	def.	12,500,000	None	9,500,000	None	5,296,402	4,598,297	..
	1923	9,293,000	def.	12,500,000	None	9,500,000	None	NF	NF	..
INTER-NATIONAL PAPER CO. * Estimated.	1912	$15,970,000	2.3	22,406,000	5.3	17,442,000	.....	10,395,000	7,800,000	..
	1915	14,879,000	2.4	22,406,000	5.4	17,442,000	.....	12,402,000	10,137,000	..
	1919	6,882,000	12.8	24,771,000	16.4	19,803,000	$13.2	21,726,000	20,786,000	..
	1922	19,671,000	def.	24,910,000	None	19,905,000	None	14,393,000	15,702,000	..
	1923	19,321,000	*4.0	24,910,000	*12.0	19,923,000	*7	NF	NF	..
UNION BAG & PAPER * Yr. ended Jan. 31, 1913. † Year ended Jan. 31, 1916. ‡ Est.	*1912	$3,777,000	2.2	11,000,000	0.4	16,000,000	def.	1,563,000	3,000,000	..
	†1915	3,379,000	0.6	11,000,000	def.	16,000,000	def.	1,661,000	500,000	..
	1919	3,297,000	9.9	....	....	10,000,000	$17	5,800,000	4,500,000	$8½
	1922	6,620,000	4.3	....	....	15,000,000	6.29	1,228,073	4,705,000	6
	1923	6,490,000	‡4.4	....	....	14,977,000	‡7.0	NF	NF	6

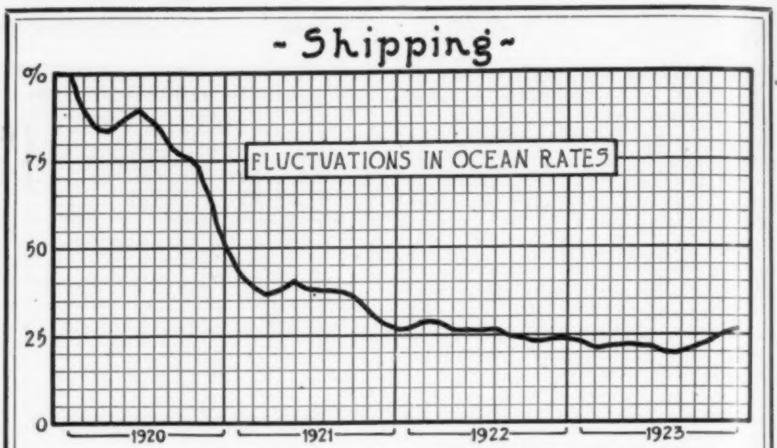
NF—Figures not available

Signs of Improvement in Shipping

Recent Increase of Freight Rates—Surplus Tonnage Reduced—Year Ends With Revival of Industry in Prospect

THE first half of 1923 failed to develop any definite improvement in the shipping situation. Available tonnage remained in excess of demand. Exclusive of about 6 million gross tons of coastwise or inland vessels, the world's ship tonnage had increased during ten years from 38 to 58 millions gross registered tons or over 50% in spite of destruction during the war. Gross tonnage of U. S. vessels had increased from 2 million in 1914 to 12.5 million in 1922. About 20% of the gross cargo capacity was represented by ships over 15 years old, and costly to operate. Half of the U. S. Shipping Board vessels were of poor construction and destined to be out of service within a few years.

About the middle of 1923 the volume of foreign trade was anything but encouraging. World trade was about 25% below that of 1913, and the surplus ship tonnage was sufficient to carry a 60% increase in volume of world cargoes. About 2,300 freight-carrying vessels were afloat for which there was no demand.



Figures cover rates from U.S. Atlantic Ports to all Europe, and are in per cent of the January 1920 level, which is called 100%.

Passenger traffic was also discouraging. Although it had been relatively heavy since the war, revenue from this source ceased to increase. First and second class passenger travel during the first half of 1923 showed a slight decrease from the corresponding period of previous year. During 1922, about 500,000 first and second class passengers were carried, compared with about 690,000 in 1913. The situation in third class travel was very discouraging, for during 1922 only 465,000 third class passengers were carried, compared with 1,875,000 in 1913. As the largest profits from passenger travel have always come from the steerage, it was apparent that the immigration restriction laws were playing havoc with the income from passenger traffic, to say nothing of the shutting off of the supply of European laborers needed in our industries.

Other Unfavorable Conditions

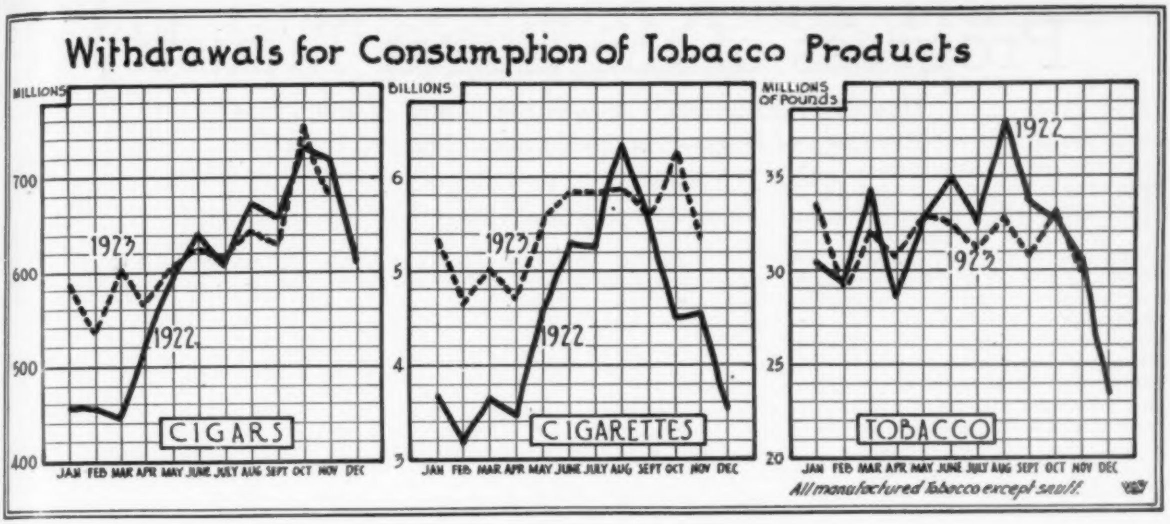
In addition to the two major difficulties of surplus tonnage and sub-normal ocean traffic, the shipping industry faced other unfavorable conditions, such as continuation of ship-building in the face of surplus tonnage, decline in rates to about those prevailing in 1913, advance of 50% to 100% in seamen's wages as compared to the pre-war level, destructive competition of the U. S. Shipping Board, the increase in German shipping, and high operating expenses as compared to those of other countries. Considering the item of labor alone—and wages represent a substantial part of operating cost—American

(*Please turn to page* 59)

SHIPPING COMPANIES

Company	Year	Funded debt	Times interest earned	Pfd. stk. outstanding (In thousands)	Earned on preferred per share	Common stock outstanding	Earned on common per share	Working capital (In thousands)	Total surplus (In thousands)	Price Range Preferred H.	Preferred L.	Common H.	Common L.
INTER. MERC. MARINE	1913	$72,684,130	1.08	$51,731	$4.44	$49,931,735	.....	$1,200	$1,269	19½	12½	4⅝	2⅞
	1919	47,299,615	5.81	51,726	25.06	49,872,000	$20.18	23,523	30,279	128½	92¾	67¾	21¼
	1920	46,249,850	3.82	51,726	14.38	49,872,000	8.69	35,208	30,557	111⅞	44	51⅞	10¼
	1921	45,152,540	2.62	51,725	8.24	49,871,800	2.32	22,717	31,714	67¾	36	.17¼	7⅛
	1922	44,491,225	0.11	51,725	.....	49,871,800	.....	5,770	26,978	87⅜	41⅝	27½	8¼
	1923	44,491,225	NF	51,725	.....	49,871,800	.....	NF	NF	47	18½	11⅝	4⅞
ATL. GULF & WEST INDIES	1913	12,562,000	3.01	4,996	2.30	14,997,000	.....	2,360	1,311	19½	10	12⅛	5
	1919	24,715,500	5.46	13,743	40.57	14,963,400	32.67	21,851	25,676	76½	64	192⅝	92
	1920	24,617,500	1.12	13,743	1.08	14,963,400	.....	3,885	24,437	75	42	176½	71½
	1921	35,205,000	1.87	13,743	12.96	14,963,400	7.31	1,625	22,301	44½	15¾	76	18
	1922	34,572,000	def.	13,743	00.00	14,963,400	00.00	4,622	17,353	31¼	15	43¼	19⅝
	1923	33,252,000	NF	13,743	.....	14,963,000	.....	NF	NF	27	6¼	34	9¼
UNITED FRUIT	1913	21,467,940	7.0	None	.....	36,594,300	14.53	4,000	16,284	...	...	182	147
	1919	1,045,000	98.5	None	.....	50,316,500	40.07	41,038	49,110	...	...	214	157½
	1920	327,000	1,152.7	None	.....	50,000,000	57.84	35,026	25,980	...	...	223¼	117
	1921	None	....	None	.....	100,000,000	16.97	20,265	34,956	...	...	207	*95¾
	1922	None	....	None	.....	100,000,000	18.80	26,229	44,970	...	...	162	119¾
	1923	None	....	None	.....	100,000,000	23.00	18,639	48,067	...	...	180½	152⅛
PACIFIC MAIL S. S.	1913	None	....	None	.....	20,000,000	2.15	400	11,390	...	...	31½	16
	1919	None	....	None	.....	*1,500,000 shs	5.50	2,602	2,625	...	...	42⅜	29½
	1920	None	....	None	.....	1,500,000 shs	4.30	86	2,892	...	...	38⅜	12⅝
	1921	None	....	None	.....	1,500,000 shs	....	131	3,053	...	...	17¼	8
	1922	None	....	None	.....	1,500,000 shs	0.90	760	3,237	...	...	19	11
	1923	None	....	None	.....	1,500,000 shs	NF	NF	NF	...	...	12¼	8
AMER. SHIP & COMMERCE	†1913	....	....	.....	.....	....	....	.....	.....	...	...	...	...
	†1919	....	....	.....	.....	....	....	.....	.....	...	...	47½	26
	1920	11,538,218	4.80	None	.....	648,191 shs	2.33	606	11,604	...	...	30½	7⅝
	1921	11,962,618	Def.	None	.....	669,243 shs	Def't	6,275	5,446	...	...	14	4¾
	1922	4,889,304	1.15	None	.....	669,243 shs	2.73	3,003	975	...	...	25⅛	5½
	1923	1,021,300	NF	None	.....	592,071 shs	NF	NF	NF	...	...	21⅜	10⅜

* Par value $5. † Consolidated balance sheet. NF—Not available.



How Tobacco Industry Fared in 1923

THE persistent increase in the consumption of tobacco throughout the United States, with a new high record established in 1923, stands in evidence of the fact that the growing, manufacture and distribution of tobacco represent one of our leading industries. The total consumption in 1923 is estimated at about 750 million pounds, compared to 735 million pounds in 1922, and 650 million pounds in 1921. This includes cigars, pipe and chewing tobacco, snuff and cigarettes.

The annual consumption of all tobacco, excepting that used in cigarettes, has remained relatively uniform for about 15 years, so the steady expansion of the industry during this period is due almost entirely to the rapid increase in consumption of cigarettes.

The rapid growth of the cigarette branch of the industry is noteworthy, and apparently no retardation is in sight. During 1912, the consumption of cigarettes was about 50 million pounds, or less than 10% of the total quantity of tobacco consumed. During the following four years, at the end of 1916, cigarette consumption had doubled, and represented about 1/6 of the total consumption of tobacco. The war was a great stimulus to cigarette consumption, particularly among American citizens temporarily engaged in Europe, and by the end 1921 the consumption had again doubled, reaching the immense total of 200 million pounds, or about 30% of the entire consumption of all classes of tobacco.

Following the close of the war, cigarette consumption continued steadily. It is estimated that in 1923, our country's cigarette smokers have accounted for nearly 250 million pounds of tobacco, or approximately 1/3 of the entire consumption. This represents the consumption of nearly 60 billion cigarettes.

Improved manufacturing and merchandising methods have been important factors in the rapid growth of the industry during the past few years, particularly the increased use of automatic machines for higher speed production of both cigars and cigarettes, and efficient retail distribution through the application of the chain-store idea which seems to be especially adapted to this line of business.

Today the tobacco industry gives employment to nearly 200,000 workers, sales aggregate about 750 million pounds of tobacco, more than 700,000 retail stores are interested in its distribution, and the total retail sales value of the product for 1923 is estimated at nearly 1½ billion dollars.

The past year has been marked by improvement in the financial and trade position of several leading companies, by some important mergers and capital changes, and certain dividend resumptions and increases. One of the largest contracts on record, involving ultimately payments aggregating over ¼ billion dollars, became effective November 1st, 1922, whereby American Tobacco Co. leased, for 99 years, all of the brands of cigarettes, smoking and chewing tobaccos of the Tobacco Products Corporation and purchased all of its tangible assets. Advantages gained by both companies were discussed in the November 24th issue of THE MAGAZINE OF WALL STREET.

Another important deal of the year was the passing of control of the tobacco retailing business of the United Cigar Stores Co. to Schulte Retail Stores, under a 99 year lease, and involving a payment of about 5 million dollars a year. United Cigar Stores conduct the largest chain of tobacco stores in the world, and the merger will put a store of one or the other of these two companies on almost every prominent corner in every large city.

TOBACCO COMPANIES

Company	Year	Funded debt	Interest times earned	Pfd. outstanding	Pfd. earned	Common outstanding	Com. earned	Profit and loss surplus	Working capital, millions	Com. divid. paid	Price Range Common High	Price Range Common Low
AMER. TOBACCO COMPANY	1919	$21,906,200	7.5	$52,699,700	$30.31	$40,242,400	$31.83	$49,346,443	$83.2	$20	*314	*191
	1921	15,071,250	11.3	52,699,700	34.64	89,586,600	16.85	14,749,667	98.6	12	136	111
	1922	1,676,400	14.4	52,699,700	35.90	89,589,000	17.64	19,670,407	88.1	12	169	129
* Class "A" stock.	1923	1,676,400	NF	52,699,700	NF	97,614,000	NF	NF	NF	12	160	140
AMER. SUMATRA TOBACCO CO.	*1919	181,300	...	1,963,500	45.35	13,532,885	5.56	1,079,675	5.4	10	120	73
	*1921	6,195,800	3.0	1,963,500	49.23	14,448,585	5.74	1,573,772	11.8	6.5	88	28
	*1922	6,563,800	def.	1,963,500	def.	14,448,585	....	def. 1,587,519	8.5	..	47	23
*Yrs. ending July 31.	*1923	3,690,200	def.	1,963,500	def.	14,448,585	....	def. 2,369,119	7.5	..	36	16
P. LORILLARD COMPANY	1919	20,888,850	4.9	11,307,600	44.04	24,246,600	17.28	8,444,136	35.0	12	245	147
	1921	20,701,800	6.1	11,307,600	56.35	30,304,800	18.41	12,593,419	46.5	12	164	136
	1922	20,615,600	6.5	11,307,600	60.92	30,305,100	20.10	14,673,330	47.9	12	180	147
	1923	20,529,950	NF	11,307,600	NF	30,305,100	NF	NF	NF	12	178	146
TOBACCO PRODUCTS CORPORATION	1919	....	...	8,000,000	22.61	1,760,000	7.10	2,536,595	4.3	6	115	72
	1921	4,000,000	8.5	8,000,000	25.76	2,600,000	7.98	2,662,620	6.7	6	72	45
	1922	3,906,000	21.3	8,000,000	69.84	30,912,000	9.42	2,506,678	7.4	4.50	84	49
	1923	3,906,000	NF	8,000,000	NF	45,042,500	NF	NF	NF	6	61	47

NF—Figures not available

Progress of the Sugar Industry

Irregularities in Price Movements—Size of the Crops Earnings of Sugar Companies Show Marked Increases

THE sugar industry was relieved of artificial influences and restrictions during 1922 and approached 1923 subject only to the laws of supply and demand. Prevailing prices insured moderate profits, and stimulated consumption which exceeded 5 million tons. This record consumption succeeded in eliminating not only the large carry-over from 1921, but also the 1921-22 Cuban crop. Therefore, 1923 began with sugar supplies relatively low, and the public buying power high.

Early in 1923, the report issued by the Department of Commerce showed that, while the world's supply would be sufficient to meet ordinary requirements, there would be no surplus to meet an unusual demand or to compensate for damage to crops.

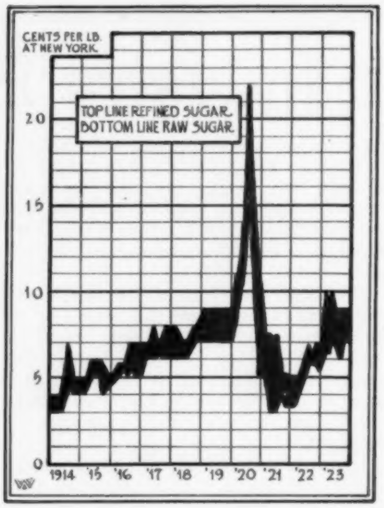
Concern over possible shortage stimulated speculation in sugar, and prices both here and in Europe advanced. In May, the price of raw sugar in New York was around 8½ cents, and refined sold at 10 cents, compared with an average price of 5 cents for raw, and 6 cents for refined, during 1922. Speculation brought about some agitation to close the sugar exchange and stimulated propaganda urging sugar boycotts. Then followed accusations of crop manipulation and collusion between producers and refiners designed to boost prices at the public's expense.

Buyers' Strike

This agitation was no doubt in large measure responsible for subsequent price irregularities and unsettled confidence, resulting in curtailed forward buying with consequent piling up of refiner's stocks. At the same time there was a falling off in foreign demand, and consequent price cutting incident to the competition in marketing accumulated supply. The price decline continued until August, when improved statistical position reversed the trend.

With the 1923-24 grinding campaign under way, preliminary estimates of the Cuban crop indicate that it will be comparatively small, although sufficient to meet average requirements. Prices equal to or better than those prevailing in 1923 are anticipated.

In all probability Europe's production will be insufficient to satisfy its demand, and world production will not insure a surplus, although estimates point to a record production this year.



At the same time, consumption in this country is rapidly increasing, and in all probability will be equal to or greater than that of last year. These tendencies appear to favor both producers and refiners.

A composite of the forecasts made by close observers of the industry is to the effect that sugar producers will not only be able to retain last year's profits, but will experience another prosperous year in 1924. Although refiners did not share fully in the prosperity of the producers during the past year, it is probable that through more advantageous buying of raw sugar in a more normal market, and assurance of increasing demand, they will experience a rapid improvement with regard to earnings.

Earning Power Increased

An important effect of the rise in prices of sugar was to largely stimulate the earning power of the important companies engaged in the trade. A number of these companies were enabled to restore dividends which had been omitted since the 1920 débâcle which saw prices of sugar cave in to ruinous levels. Financially, these companies were greatly benefited by these circumstances as it enabled them to make considerable progress with regard to liquidating some of their bank loans, and it placed them in a better position to finance themselves than for a considerable period. This fortunate turn of conditions was of especial benefit to the producing interests, but, as stated in the preceding paragraph, the refiners should this year share in the benefit, especially in view of the fact that their comparative lack of prosperity was due to special conditions not truly representative of the industry as a whole. Generally speaking, both producers and refiners enter 1924 in good shape and should give a good account of themselves in regard to their earnings and financial position.

SUGAR COMPANIES

Company	Year	Funded Debt	Interest Times Earned	Preferred Outstanding	Pfd. Earned Per Share	Common Outstanding	Common Earned Per Share	Profit & Loss Surplus	Working Capital	Common Divs. Paid Per Share
AMERICAN	1912	....	.....	$45,000,000	$12.2	$45,000,000	$5.2	$21,425,000	$30,000,000	$7
SUGAR	1915	....	.....	45,000,000	12	45,000,000	5	16,328,000	36,125,000	7
REFINING	1919	....	.....	45,000,000	29.5	45,000,000	22.4	23,152,000	46,108,000	10
	1922	$30,000,000	5.6	45,000,000	18.72	45,000,000	11.72	7,201,132	47,713,032	..
† Not available.	†1923	30,000,000	.....	45,000,000	.....	45,000,000	..	....	....	..
AMER. BEET	*1912	....	.....	5,000,000	17.6	15,000,000	3.87	2,676,000	2,676,000	1¼
SUGAR	*1915	....	.....	5,000,000	28.5	15,000,000	7.5	3,890,000	3,500,000	..
	*1919	....	.....	5,000,000	24	15,000,000	6	710,000	4,616,000	8
* Yrs. ended March	*1922	....	.....	5,000,000	None	15,000,000	None	2,000,000	3,712,000	..
31st.	*1923	....	.....	5,000,000	17.7	15,000,000	3.90	2,449,000	4,522,000	..
CUBA CANE	1912	....	.....	Incorporated December, 1915.			..	....	....	..
SUGAR	*1915	....	.....	50,000,000	24.2	500,000	19.7	9,850,000	4,600,000	..
* Period Dec., 1915-	†1919	....	.....	50,000,000	14.7	500,000	7.7	16,712,000	74,000	..
Sept. 30, 1916. † Yrs.	†1922	49,958,000	def.	50,000,000	None	500,000	None	3,750,000	9,850,000	..
ended September 30.	†1923	35,679,000	.....	50,000,000	13.67	500,000	6.70	10,234,631	15,948,171	..
CUBAN-AMER.	*1912	9,583,000	3.5	7,893,000	9.2	7,135,000	2.5	1,918,000	2,500,000	..
SUGAR	*1915	9,000,000	8.5	7,893,000	76	7,135,000	70	6,285,000	5,740,000	..
	*1919	4,000,000	12.8	7,893,000	93	10,000,000	67.6	22,367,000	13,436,000	10
	*1922	9,000,000	2.5	7,893,000	25.6	10,000,000	14.7	20,453,000	12,920,000	..
*Yrs. ended Sept. 30	*1923	9,000,000	10.1	7,893,000	101.3	10,000,000	7.45	26,403,931	20,625,483	1.50
PUNTA ALEGRE	1912	....	.....	Incorporated August 1915.			..	....	....	..
SUGAR	*1915	4,495,000	2¼	760,000	18	3,860,000	1.7	125,000	2,000,000	..
	†1919	4,495,000	7	760,000	200	3,860,000	41.7	2,416,000	840,000	..
* Yr. May 31, 1917.	†1922	....	.....	None	.....	16,503,000	Def.	4,615,000	2,000,000	..
† Yrs. ended May 31.	†1923	10,395,700	6½	None	.....	16,567,050	11.0	8,113,178	11,616,177	..

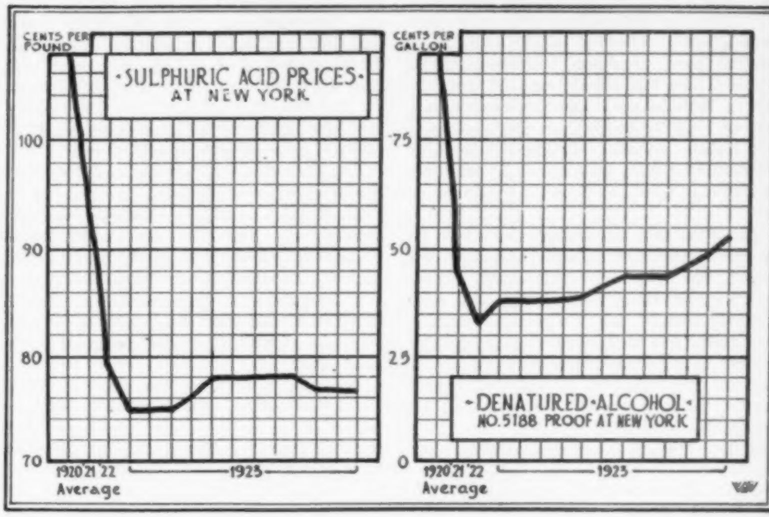
The Chemical and Allied Trades

Analysis of the Past Year's Business in Industrial Chemicals, Dyestuffs, Drugs, Paints and Fertilizers

WHILE the different branches of the chemical industry must be discussed separately in order to bring before the reader a true picture of the situation in the past year, it is interesting to note the general trend of composite chemical prices. At the beginning of 1923, the U. S. Labor Bureau's index figure was reported at 131, compared with an average of 124 for 1922. There was an increase to 136 in April, when a downward movement came in evidence, the index figure touching a low of 127 in August. Subsequent improvement in prices was negligible, the final average being 130 in December.

Among the notable developments in the industrial chemical business during 1923 were a substantial increase in production and the attainment of a high degree of efficiency. As a result of the partial occupation of Germany by the French and Belgians, this division of the industry fell heir to a wonderful opportunity to further expand its markets in all corners of the globe. The commendable fact is that full advantage was taken of the situation, and the gain in export trade in American chemicals was nothing short of remarkable. Just how long this superior position held by our domestic manufacturers can be maintained is an open question, but it is certain that a readjustment of affairs in the Ruhr, and a return to normal production in that part of the world will again bring keen competition.

An unusually good showing was made in the industrial alcohol business. Prices advanced steadily throughout the year, and both sales and profits were a great deal larger than in 1922. Manufacturers of coal-tar products did not fare so well. In the first place, prices fluctuated violently, and, secondly, the volume of exports was negligible. Termination of shipment of reparation dyes to the United States aided somewhat in supporting the domestic market, as did also the protection afforded by the tariff laws, but nevertheless, results were by no means up to earlier expectations.



CHEMICAL AND DRUG PRICES

Index Numbers of Wholesale Chemical and Drug Prices, 1913 = 100.

	1922	1923
January	124	131
February	123	132
March	125	135
April	124	136
May	122	134
June	122	131
July	121	128
August	122	127
September	124	128
October	124	129
November	127	130
December	130	130

Drugs and fine chemicals enjoyed a fair market in 1923, with prices going steadily higher. The paint and varnish division of the industry did a record-breaking business, with total consumption greater than in any previous twelve-month period. This was a direct result of the great activity in the building trades. The public had also become awakened to the protective value of paint, and went in for repainting to a much greater extent. Prices were steady all through the year, and stocks on hand at the close were unusually small. Most paint and varnish manufacturers reported very satisfactory profits.

Fertilizer Business

After several years of severe depression the fertilizer industry was able to make fair strides toward recovery. The better situation of the farmer, particularly in the South, made a greater volume

(*Please turn to page* 65)

CHEMICAL COMPANIES

Company	Year	Funded debt	Interest times earned	Pfd. outstanding	Pfd. earned	Common outstanding	Com. earned	Profit & loss surplus	Wkg. cap'l, millions	Com. div. paid	Price Range Pfd. H.	Price Range Pfd. L.	Price Range Com. H.	Price Range Com. L.
ALLIED CHEM. & DYE CORP.	1912	Incorporated Dec. 17, 1920.												
	1921	$7,367,000	NF	$38,951,000	$21.80	$10,847,000	$2.64	*$122,659,000	$65.1	$3	103	83	59	34
* Including capital surplus.	1922	2,188,000	NF	39,259,000	38.70	10,889,000	5.75	*126,428,000	72.5	4	115	101	91	55
	1923	2,188,000	NF	39,259,000	NF	2,177,843 shs.	NF	NF	NF	..	112	105	80	59
THE AMERICAN AGRICULTURAL CHEMICAL CO.	*1912	10,578,000	4.2	27,087,000	9.40	18,330,000	7.2	7,597,000	23.5	2	104	98	65	54
	*1919	12,803,000	6.30	28,384,000	18.60	31,655,000	10.34	17,080,000	42.8	8	103	95	80	33
	*1921	36,616,000	def.	28,455,000	.....	33,322,000	....	2,069,000	48.2	4	90	51	65	26
	*1922	36,247,000	0.56	28,455,000	.....	33,322,000	....	1,545,000	46.8	..	72	56	42	27
* As of June 30th.	*1923	35,012,000	1.20	28,455,000	1.80	33,322,000	....	def. 12,817,000	37.9	..	68	29	46	10
THE DAVISON CHEMICAL CO.	1912	1,400,000	NF	....	.....	500,000	NF	NF	NF	8		..	..	..
	1919	4,132,000	2.6	....	.....	5,432,000	3.20	*6,497,000	1.9	..	..	..	..	..
	1921	4,114,000	def.	....	.....	7,216,000	Loss	1,804,000	1.1	..	..	..	59	22
* Includes capital surplus.	1922	3,139,000	def.	....	.....	8,338,000	Loss	1,998,000	818,335	..	..	..	65	23
	1923	2,824,000	11.0	....	.....	8,338,000	5.60	2,421,000	2,078,000	..	..	..	81	26
VIRGINIA-CAROLINA CHEMICAL CO.	*1912	14,100,000	4.50	20,000,000	12.10	27,984,000	3.40	9,451,000	21.6	3	122	114	57	40
	*1919	16,029,000	3.90	20,425,000	33.24	27,984,000	18.10	24,100,000	30.1	6	115	110	92	51
	*1921	26,200,000	def.	21,568,000	.....	27,984,000	....	8,776,000	26.8	1	102	57	42	20
	*1922	25,300,000	0.37	21,568,000	.....	27,984,000	....	6,295,000	23.6	..	82	56	36	23
	*1923	37,300,000	0.13	21,568,000	.....	‡	....	a11,456,704	25.7	..	69	17	27	6

* Years ended May 31st. ‡ Common changed to 279,000 shares class B and 69,000 shares class A—no par. a—Increase due to change in com. stk.

NF—Figures not available

Food Industry Prospers

Record Volume of Production and Greater Consumptive Demand

THE general state of prosperity and high wages prevailing in this country throughout the past year were greatly reflected in the consumption of food products. Meat packers reported the largest volume of production in their history, the total exceeding that of 1922 by more than one and one-half billion pounds. Domestic demand for canned goods was never better, and an increased output found a ready market.

The year was one of continued liquidation for the farmer, and from the very outset vast numbers of livestock began arriving for slaughter. This was particularly true of hogs, it being estimated that about ten million more reached the market than in the previous year. Since packers are unable to regulate their supply of raw material, there was an apparent tendency in the first six months toward over-production, but this was of short duration. Lower prices brought about a good consumptive demand and stocks of cured meats were turned more rapidly than ever before.

Although raw material costs were lower, margin of profit was reduced somewhat by the greater decline of selling prices. Larger volume, however, permitted a substantial reduction in overhead and aided in keeping earnings on a fair basis. While inventory losses were incurred in connection with the break in pork prices, which is shown in the accompanying graph, the amount of loss was negligible when considered in proportion to profits on other meat products.

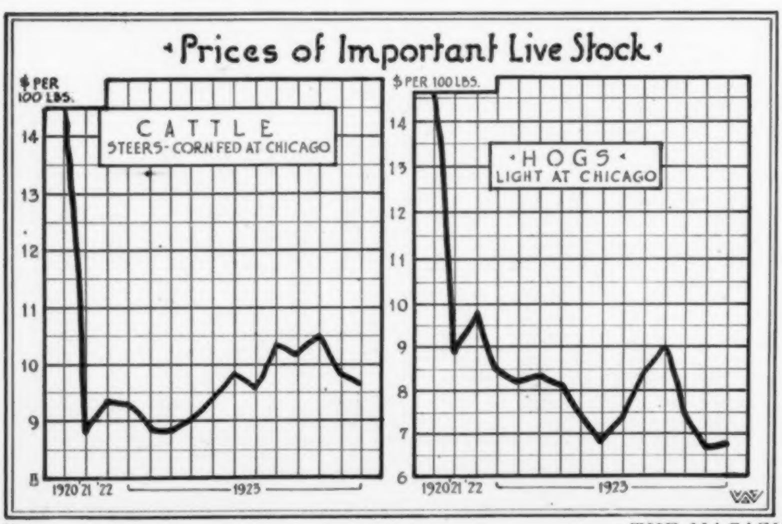
Foreign business was heavy, shipments being made to many countries that had never before bought meat products from this country. Exports totaled above one million short tons valued at not less than 275 million dollars. Tonnage increase over 1922 was very nearly 25%, with expansion in value amounting to approximately 20%. By far the greatest gain was made in foreign shipments of lard, due both to the fact that Europe's supply of hogs had not yet fully recovered from the devastations of war and our prices for hog lard were at unusually low levels. In the first eleven months of the year, lard exports constituted more than 40% of total meat products sold abroad.

On the whole it can be said that the majority of packers made fair profits in 1923. Results would have been unusually satisfactory but for the unfavorable trend of prices, previously mentioned, and the relatively poor demand for certain by-products. The market for hides, fertilizers, and other by-products did not improve as rapidly as did the meat business itself.

Indications were, at the close of 1923, that the current year's packing business would be in continued large volume, and with fair profits obtainable. In the first place, there appeared to be no scarcity of livestock of different classes. In spite of such large shipments to the various markets during the past year, practically all reports from farming communities tend to show an increase in the available supply of sheep, cattle and even swine. A large portion of the hogs that have been going to market recently were breeding stock, but this seems to have had little effect, as yet, on production. Packers should have little difficulty in obtaining sufficient raw materials.

Labor costs showed no tendency to advance, and margin of profit for 1924 should remain relatively the same, unless some unforeseen circumstances arise. On the whole, there should be some improvement in the by-product markets, especially for hides. This one item has been selling very close to actual cost for some time past, and higher prices are to be expected.

The canned goods pack of 1923 was the largest in the history of the industry, being even larger than in 1918 and 1919, when enormous quantities were required by our military forces. The greatest increase, as compared with the previous year, was reported in canned corn, approximately 14.1 million cases being canned, while the 1922 total came to but 11.4 millions.



Consumption of Canned Goods

The pack of peas, tomatoes and fruits all showed substantial increases. And yet notwithstanding a record production, there prevailed at the end of the year the remarkable condition of below-normal stocks in jobber's hands. This situation is accounted for by the fact that the United States is becoming a great consumer of canned goods. One of the largest New York wholesale grocers recently made the statement that his canned foods sales represent 50% of total business, having increased about 32% during 1923 alone. The canned foods industry has become stabilized by improved methods and great development along the lines of improved canning processes.

Prices that prevailed during 1923 on salmon were somewhat higher than the 1922 prices, and salmon packers enjoyed a prosperous year.

The pack of peas in 1923 seems to have been about 700,000 cases more than in 1922. Although the Maryland pack was short, still this was made up in great measure by a larger pack in the West. Prices that prevailed during the season were a trifle higher than in the preceding year. This is accounted for in part by the fact that the 1922 pack was practically cleaned up before new peas came out on the market.

Total quantity of tomatoes packed in 1923 was approximately 15 million cases, or the largest amount reported in the past seven or eight years. Supply of pineapple was very short, and prices were much higher. Peaches, pears and Royal Anne cherries were available in normal quantities with very little price changes.

Practically all canners were able to make large profits during 1923. Prices of the majority of articles were strong throughout the year and practically no inventory losses were incurred. Indications are that the coming year will also be one of prosperity in this branch of the food industry. The low prices of farm products, such as wheat, have attracted the interest of growers in cannery crops and all signs point to at least a 10% increase in the 1924 pack. Low stocks of goods in canners', jobbers' and distributors' hands in stimulating preparations for greater production in most commodities, and will also be a stablizing influence on prices. Sales of futures have already picked up considerably, although many packers have not yet named 1924 prices. With domestic consumption holding up, the canners appear to have very bright prospects ahead.

LEADING FOOD AND PACKING COMPANIES

Company	Year	Funded Debt	Interest Times Earned	Preferred Outstanding	Pfd. Earned Per Share	Common Outstanding	Common Earned Per Share	Profit & Loss Surplus	Working Capital in Millions	Common Divs. Paid Per Share
THE AMERICAN COTTON OIL COMPANY	*1913	$10,000,000	3.7	$10,198,600	12.70	$20,237,100	$3.40	$13,364,060	$11,512,460	..
	*1919	15,000,000	3.2	10,198,600	13.10	20,237,100	6.10	13,235,651	21,308,978	$4
	*1920	15,000,000	def.	10,198,600	.....	20,237,100	....	9,624,091	15,686,625	3
	*1921	14,000,000	def.	10,198,600	.....	20,237,100	....	6,689,579	12,227,537	..
* Years ending	*1922	13,500,000	def.	10,198,600	.....	20,237,100	....	4,210,180	10,318,397	..
Aug. 31st.	*1923	13,000,000	def.	10,198,600	.....	20,237,100	....	—5,717,609	8,161,145	..
ARMOUR & CO.	1913	30,000,000	5.5	....	.....	20,000,000	30.14	84,223,208	58,042,255	10
	1919	81,609,400	4.0	28,390,600	101.55	100,000,000	13.32	80,479,183	173,406,889	2
	1920	117,641,900	*1.8	50,670,300	12.06	100,000,000	2.23	80,711,494	182,320,611	2
	1921	115,560,900	—4.0	50,671,400	—62.50	100,000,000	9.25	63,454,697	151,817,528	50c
* Estimated.	1922	100,000,000	—1.4	59,295,400	—12.80	100,000,000	—3.00	40,376,402	109,901,463	..
	1923	144,746,000	2.0	131,000,000	*7.00	100,000,000	*1.50	*42,000,000	*129,000,000	..
AUSTIN, NICHOLS & COMPANY	*1919			Incorporated August 23, 1919.						
	*1920	....	.....	5,500,000	22.90	3,221,015	7.15	625,000	6,705,579	..
	*1921	....	.....	5,437,300	7.10	3,221,015	0.05	631,454	5,224,208	..
	*1922	....	.....	5,114,900	0.47	3,221,015	....	288,646	4,488,290	..
* As of Jan. 31st.	*1923	....	.....	4,844,900	13.10	3,221,015	0.90	589,866	4,412,236	..
BEECH-NUT PACKING CO.	1913	....	.....	100,000	.....	900,000	....	....	...	24
	1919	....	.....	....	.....	900,000	....	4,350,040	...	12
	1920	....	.....	1,124,000	44.00	900,000	46.28	4,759,869	4.1	11
* Figures for 1922	1921	....	.....	1,124,500	.....	965,400	....	5,292,390	4.1	10
and 1923 include af-	*1922	....	.....	1,125,000	172.00	5,000,000	14.80	2,811,691	4.6	5.76
filiated companies.	*1923	....	.....	1,125,000	NF	7,500,000	NF	NF	NF	2.40
CALIFORNIA PACKING CORP.	*1919	....	.....	8,206,200	45.00	11,684,255	9.20	7,467,859	8.7	4
	*1920	....	.....	8,206,200	88.00	11,684,255	19.01	12,638,980	11.6	6
	1921	....	.....	....	.....	20,569,485	9.01	14,061,757	12.0	6
* Years ending	1922	....	.....	....	.....	20,569,485	4.75	13,472,100	11.8	6
Feb. 28.	1923	....	.....	....	.....	20,569,485	13.08	16,810,235	12.7	6
COCA-COLA CO.	1919	75,000	.....	10,000,000	.....	15,010,000	....	....	3.1	..
	1920	....	.....	10,000,000	21.39	15,010,000	2.88	1,066,098	0.9	2
	1921	....	.....	10,000,000	23.45	15,010,000	3.29	2,208,045	1.1	1
	1922	....	.....	10,000,000	62.63	15,010,000	11.14	5,560,547	4.0	4
	1923	....	.....	10,000,000	65.00	500,000 shs.	10.00	NF	NF	7
CORN PRODUCTS REFINING CO.	1913	8,247,320	7.47	30,000,000	7.66	49,777,333	0.37	7,865,861	5.9	..
	1919	6,250,040	87.77	29,826,933	45.99	49,784,000	23.36	35,888,700	29.7	1.50
	1920	6,023,160	96.62	29,826,933	42.22	49,784,000	21.78	43,521,704	25.7	6
	1921	5,448,280	52.77	24,826,933	25.17	49,784,000	9.06	45,123,132	16.7	6
	1922	2,806,700	90.41	24,826,933	41.03	49,784,000	16.97	29,321,254	38.9	6
	1923	2,692,700	.....	24,824,933	.....	49,784,000	*17.00	NF	NF	9
CUDAHY PACKING CO.	*1919	8,213,200	4.1	8,550,500	24.50	17,249,500	8.62	9,620,574	16.4	7
	*1920	7,921,600	1.5	8,550,500	7.30	17,249,500	0.32	5,122,721	28.7	3.50
	*1921	13,149,500	.....	8,550,500	—18.40	17,249,500	—11.65	3,552,750	8.9	..
* Years ending	*1922	25,312,500	10.8	8,550,500	14.40	17,249,500	3.78	4,205,714	13.3	..
Oct. 28.	*1923	25,312,500	NF	8,550,500	NF	17,249,500	NF	NF	NF	..
THE FLEISCHMAN COMPANY	1913	....	.....	3,000,000	NF	3,000,000	NF	NF	NF	NF
a-Surplus reported in com. stock account.	1919	....	.....	3,000,000	60.80	3,000,000	*54.80	NF	NF	*19
* On $3,000,000 of $100 par stock.	1920	....	.....	3,000,000	96.30	3,000,000	*90.40	13,801,284	13,967,541	*16
‡ 1,500,000 shares.	1921	....	.....	3,000,000	153	3,000,000	*147	18,646,032	10,482,220	*20
x Estimated.	1922	....	.....	3,000,000	216	‡26,147,801	*212	a	13,149,159	*94
	1923	....	.....	3,000,000	500	‡x28,700,000	x6	a	x15,000,000	3
GENERAL BAKING CO.	1913	3,700,000	4.3	5,925,000	16.50	3,400,000	4.20	674,429	1,847,339	..
	1919	2,834,000	8.2	5,925,000	14.20	3,400,000	16.30	2,124,402	3,666,656	..
	1920	2,702,000	9.1	7,057,000	7.10	3,400,000	17.40	1,477,565	4,121,299	..
	1921	2,568,500	24.0	7,057,000	28.00	3,400,000	4.55	3,013,114	3,545,361	5.25
‡ Also 200% in stk.	1922	2,430,500	32.0	8,815,800	53.00	7,557,000	9.60	1,730,787	5,475,368	‡8.00
	1923	4,059,000	24.0	9,077,000	87.00	8,134,000	11.18	4,614,820	7,500,284	4.00
LOOSE-WILES BISCUIT CO.	1913	135,000	.....	7,000,000	8.59	8,000,000	1.40	300,356	3.2	..
	1919	....	.....	6,599,700	32.36	8,000,000	19.95	4,109,122	5.5	..
	1920	....	.....	6,579,700	14.73	8,000,000	4.20	4,154,685	5.8	..
	1921	275,850	.....	6,434,000	3.24	8,000,000	—5.22	3,726,633	5.6	..
	1922	245,200	NF	6,434,000	18.20	8,000,000	2.78	3,843,971	5.6	..
	1923	245,000	NF	6,434,000	NF	8,000,000	NF	NF	NF	..
NATIONAL BISCUIT CO.	1913	....	.....	24,804,500	18.52	29,236,000	9.59	12,203,089	12.6	7
	1919	....	.....	24,804,500	21.57	29,236,000	12.36	19,328,812	19.4	7
	1920	....	.....	24,804,500	22.35	29,236,000	13 02	21,089,097	17.3	7
† 75% stock div.	1921	....	.....	24,804,500	22.89	29,236,000	13.48	22,983,723	19.1	7
Dec. 30, 1922, $3 on	1922	....	.....	24,804,500	44.45	51,162,900	18.16	7,275,609	21.5	†3
new stock, $25 par.	1923	....	.....	24,809,500	NF	51,163,000	NF	NF	NF	3
POSTUM CEREAL CO.				[Owing to reorganizations and acquisition of new properties, figures for present Postum Cereal Co., Inc., are not comparable with data for previous years.]						
	1922	....	.....	6,500,000	38.30	200,000 shs	17.60	2,969,611	3.2	8.75
* Estimated.	1923	....	.....	6,500,000	*40.00	400,000 shs.	*8.00	NF	NF	4.00
SWIFT & CO.	1913	5,000,000	.....	....	.....	75,000,000	12.33	33,000,000	39.0	7
	1919	25,000,000	.....	....	.....	150,000,000	11.03	88,381,900	180.1	8
	1920	94,591,000	.....	....	.....	150,000,000	3.45	81,552,283	204.9	8
	1921	93,923,500	.....	....	.....	150,000,000	—5.21	61,739,991	182.0	8
	1922	78,256,000	.....	....	.....	150,000,000	8.70	62,789,208	166.4	8
	1923	77,088,500	.....	....	.....	150,000,000	8.79	63,973,827	170.3	8
UNITED FRUIT COMPANY	1913	33,279,956	7.0	....	.....	36,594,300	14.50	16,284,212	4,661,267	10
	1919	1,045,000	98.5	....	.....	50,310,500	40.00	49,109,723	41,037,715	10
	1920	327,000	.....	....	.....	100,000,000	29.00	25,980,011	35,025,956	‡11.50
	1921	....	.....	....	.....	100,000,000	16.90	34,955,774	20,264,974	10
‡ Also 100% in stk.	1922	....	.....	....	.....	100,000,000	18.60	44,970,023	26,299,377	10
	1923	....	.....	....	.....	100,000,000	23.00	48,067,354	18,639,742	10
WILSON & CO.	1913	9,300,000	2.14	10,000,000	13.64	20,000,000	3.32	4,231,131	11.1	..
	1919	40,018,047	2.16	10,369,900	26.45	20,000,000	10.19	21,027,265	42.5	3.75
	1920	39,618,683	0.61	10,718,900	—9.06	20,000,000	—8.46	16,335,703	29.0	5
	1921	49,895,000	.....	10,328,600	—81.95	20,000,000	—45.93	7,129,433	25.6	1.25
* Estimated.	1922	48,228,000	1.34	10,328,600	10.88	20,000,000	0.96	18,431,407	21.2	..
	1923	48,227,000	*1.80	10,323,000	*12.00	20,000,000	*2.00	NF	NF	..

NF—Figures not available

Money, Banking and Business

Steady Progress in Banking in 1923

Excessive Loans Eliminated—Important Administrative Actions — Stability of Money Market

By H. PARKER WILLIS

THE development of American banking during the year 1923, was characterized by steady progress both as regards earnings and capital involved. The year was unusually prosperous, and losses were kept down to a comparatively low figure. The expansion of banks was considerable both in number and in resources.

In table No. 1, furnished by the Secretary of the Treasury, but brought more nearly down to date by the use of later figures, is afforded a survey of credit conditions at the member banks of the Federal Reserve System which, as is well known, represent about 40 per cent of the entire banking assets of the System. In order to have these figures, therefore, represent totals for the System, it is necessary to multiply them by two and one-half in each case.

Federal Reserve Situation

The Federal Reserve situation may also be conveniently reviewed in compact form as shown in table No. 2:

It thus appears that the activity of the Reserve System was slightly less than it was the year previous, while its gold on hand and its reserve ratio were both materially higher.

The position of the System, at the commencement of 1924, is unusually strong, with a total gold holding amounting to over $3,300,000,000 and with gold moving into the country steadily from foreign countries, notwithstanding the existence of a merchandise balance of trade in our favor amounting to only about $373,000,000 or hardly more than the normal amount outstanding on the books of business men at any given time. Comparatively small obligations are being carried on long term account or in the form of commercial bills drawn on foreign countries.

TABLE I

(In millions of dollars)

	June 28, 1922	Nov. 1 1922	Jan. 3, 1923	June 27, 1923	Oct. 31, 1923	Dec. 12, 1923
Loans and discounts	10,783	11,275	11,598	11,851	11,944	11,917
Investments	4,405	4,539	4,733	4,692	4,530	4,472
Total loans and investments	15,188	15,814	16,331	16,543	16,474	16,389
Borrowings from Federal Reserve banks	160	300	390	491	593	588
Ratio of borrowings from Federal Reserve banks to loans and discounts, per cent	1.5	3.0	3.4	4.1	5.0	3.0

Striking Movements in Banking

The year 1923 was not as perturbed as has been true during recent periods, but on the contrary was a kind of comparative quiet and freedom from difficulty. National banks failed or placed in receivership amounted in this time to fifty-two, as compared with thirty-one in 1922, while in other banking systems in the several states the record was very similar. Yet these moderate increases were the obvious result of conditions developed before the opening of the year.

About the only soft spot to be noted was the situation in some of the wheat growing states of the Northwest where either crop failure (as in some sections) or over-production (as in others) prevented the banks from liquidating as freely and readily as they might have done.

Everything has tended, taking the country as an aggregate, toward greater liquidity, and there has been special relief in the cotton regions where very substantial accumulation of frozen loans had occurred prior to the opening of this season. Many of these have been readily paid off by reason of the higher prices for cotton that prevailed as a result of the short crop. In mercantile circles, the tendency of banks to "hold down" quite decidedly. and to avoid accumulations of funds due to excessive loans designed to enable individuals to carry commodities, have greatly reduced the amount of long term or "frozen" accommodation which in former years has had to be absorbed by the banks or carried by them for indefinite periods in order to avoid undue pressure upon customers.

Changes During Year

Important changes have, however, taken place in the course of the year. During the spring months, there was a decisive upward movement of prices of commodities, with corresponding expansion of banking accommodation, and at one time a very considerable accumulation of unsold securities which had to be carried by loans obtained from banks. About mid-year, these operations had reached their peak, there being then a total probably, of about $2,000,000,000 in loans to brokers and investment houses. This has since been reduced by fully 30%, while the securities which were being carried in this way were being very largely distributed; or at all events a much better margin of protection has been provided, the consequence being to create a correspondingly safer situation than previously.

Today, it would probably be difficult to make out any case for an excessive speculation or investment outlook anywhere in the market, and the consequence has been that considerably more solidity has been given to the existing level of stock market values, as is shown by the fact that such values have yielded so little to pressure, at times when causes of public anxiety such as the foreign situation, the death of former President Harding, and other occurrences which would ordinarily have created financial unsettlement, have presented themselves. The striking changes in banking conditions and methods which have thus been brought about have been slowly carried to fruition without causing any radical disturbance of the business status.

Banking Leglislation

Although the year has not been notable for constructive banking legislation, some important measures have been carried to the statute books, and some important administrative actions have been taken. In the legislative field, it has been apparent that the agricultural credits law of March 4, 1923, was an unnecessary measure containing

elements of considerable danger to the community.

Nevertheless, under its terms (which were mandatory), the twelve "intermediate credit" banks have been organized, with a paid in capital of $18,000,000, and have been announced as earning a profit of about $300,000 up to the close of the year. These credit banks have made some $32,000,000 of loans, while the War Finance Corporation has continued business with about twice that amount of advances. The bulk of the loans made by the War Finance Corporation and by the intermediate banks have been for the benefit of cooperative credit associations engaged in marketing farm products. There has been no apparent disposition to modify or repeal the agricultural credits legislation, but on the other hand there has been a disposition to keep the operations of the agricultural credit banks within moderate bounds. One result being to prevent them from infringing dangerously upon existing systems of banking. It remains to be seen what will be the effect of this legislation when fully developed; and Secretary Mellon, in his annual report, refers to it as "experimental." Altogether, the year has not been productive of any valuable changes in Federal enactments, while among the states the laws passed in that field have been relatively unimportant.

TABLE II

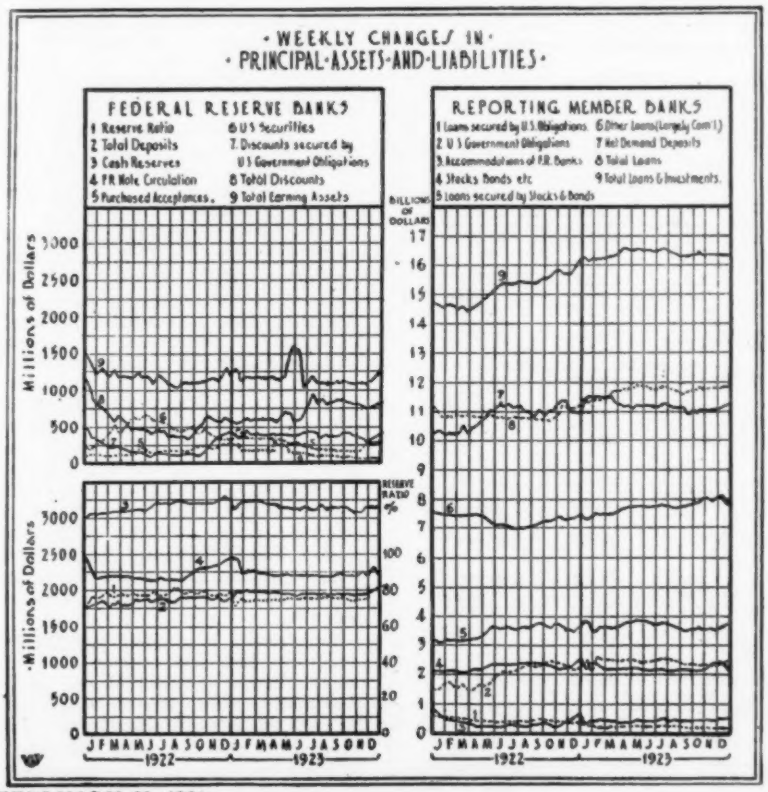
(In millions of dollars)

	June 28, 1922	Nov. 1 1922	Jan. 3, 1923	June 27, 1923	Oct. 31, 1923	Dec. 9 1923
Discounts	469	588	628	775	884	614
Purchased bills	154	261	255	204	205	251
United States securities	557	360	456	135	92	430
Total	1,180	1,209	1,339	1,114	1,181	1,295
Total Reserves	3,148	3,212	3,163	3,202	3,191	3,163
Federal Reserve notes in actual circulation	2,124	2,309	2,411	2,227	2,225	2,456
Ratio of total reserves to deposit and Federal Reserve note liabilities combined, per cent	77.5	76.0	71.3	76.9	76.3	75.9

Branch Banking Developments

Administratively, however, the year 1923 has produced some important developments. The most significant of these has clearly been the adoption of a branch banking policy. This has consisted of an announcement on the part of the Federal Reserve Board that it cannot receive new members after February 1, 1924, unless such members are without branch banking attachments, and that it will not accept new applications on the part of members for permission to establish branch banks in addition to those already possessed. The Comptroller of the Currency has issued a regulation permitting the establishment of "tellers' window branches" in the several cities where banks desire to establish themselves, but forbidding the opening of branches of other kinds vested with powers of a more extensive nature, such as those relating to the making of loans and the opening of credits.

The general branch situation still continues undecided, with litigation pending before the Supreme Court and with a probability that if the Administrative policies already outlined should continue operative, the result would be to drive a good many banks out of the reserve system inasmuch as they will feel that they are unduly hampered or restricted by the conditions of membership as defined by the Board. It is not yet certain how far the larger national banks will be satisfied with the program outlined by the Comptroller of the Currency, although thus far there has apparently been some cessation of the drift toward the state systems which was seemingly underway in the national banking group.



Foreign Banking Activity

Due to the continuous unsettlement of European currencies and exchanges, there has been unquestionable decline in foreign banking activity on the part of our institutions during the year 1923. They have tended to reduce the amount of their commitments abroad and to avoid taking on any new obligations in the way of purchases of foreign bills or currencies. At the same time, there has been a decrease in the number of foreign banking institutions, several having been amalgamated with others, while a reduction in the number of foreign branches has also taken place. This tendency seems likely to continue, so long as our foreign trade gives indication of reduction, or so long as there is continuous decline of foreign buying power or of quotations for the principal European exchanges. This falling away of interest in the financing of foreign trade has, however, been accompanied by increased domestic competition, banks seeking for business at home to compensate what they have had to give up abroad. There has also been a tendency to attempt a more systematic control and adjustment of expenses, in order that, if possible, banking costs may be standardized and profits improved. These conditions have grown out of the fact that, while banking has been on a much more stable and satisfactory basis due to the greater stability of prices, it has also been on a narrower margin of profit, partly owing to lower interest rates and partly owing to the fact that fewer

(Please turn to page 65)

How the Banks Fared in 1923

A Comparison of the Year's Results With Those of Previous Years—Some Investment Features of the Year's Activities

THE year 1923 was a mixed year for American banking institutions. In the metropolitan sections, where the larger and longer established banks hold sway, it was a year of substantial activity in which not a few institutions were able to make unusually large additions to surplus besides disbursing liberal sums in dividends. In outlying sections it was less satisfactory. And in at least one large territory—the great Northwest—the year was distinctly costly, due to the co-relation of so many institutions in that district with "one-crop" farmers struggling against the inevitable on inflated and heavily-mortgaged farm land.

The forward progress of the metropolitan institutions is well illustrated in the accompanying table. A comparison is presented there between the financial position of these institutions as of December 31, 1923, and in previous years. One notes a continuance of the steady uptrend shown in previous years with the smaller ratio in growth of capital.

So far as individual institutions are concerned, the year 1923 was particularly satisfactory to the trust companies or the large national banks operating active and well-equipped trust departments. Not only was the volume of business in trust accounts and trust services of all kinds on a scale paralleling the heightened prosperity throughout the country, but also the great activity in the real estate market contributed to a very definite uptrend. In addition, favorable action in respect of rates chargeable on trust funds was a factor.

More Mergers Take Place

A feature of the banking tendencies during the year was the number of amalgamations and mergers effected. This was not exactly a new tendency, several important mergers having been effected in 1922 while a general trend toward consolidation had characterized the banking field for many years previous. However, it assumed important proportions and was responsible for a number of interesting changes. Probably the two most important incidents of this sort were the merger between the old Irving National Bank and the Columbia Trust Co. and the absorption of the Importers & Traders Bank by the Equitable Trust.

Past and Stock Dividend Disbursements

The payment of extra dividends, over and above already large regular dividends, was a feature of the year's results from the investor's point of view. Thus, as indicative of the more or less general in this respect, Commerce paid extras of 4%, Garfield paid 3%, Harriman paid 10%, Mechanics & Metals paid 4% and First National extras totaling 20%. Obviously, these disbursements served to swell the already large return available from bank stocks.

There is another feature to consider in connection with the dividend payments of the banking institutions last year. That is that, in many cases, the dividends were paid on a share-capital which had been substantially increased through stock dividends declared and paid in 1922. Thus, at various times in the earlier year, Hanover paid a stock dividend of 66⅔%; Public paid 16⅔%; the Colonial paid 33⅓%; the Bank of the Manhattan Co. paid 100%; the Bank of Washington Heights paid 100%; Mutual paid 150; Lawyers Title & Trust paid 50%, and Title Guarantee & Trust paid 33⅓%. Since bank stocks tended higher, in market value, during the year, and also since cash cash-dividend disbursements were, on the whole, as large as or larger than in 1922, the effects of these stock dividends upon individual holdings, both in respect of capital appreciation and increased income return, were considerable.

Outlook Seems Favorable

What the future holds for banking institutions is apparently a matter for little doubt. The steady forward trend of such representative institutions as those referred to here—i.e., large and long-established banks in the metropolitan areas—gives every promise of continuance.

Banking institutions, it should be noted, are more or less bulwarked against general conditions due to conditions peculiar to their field. From their own standpoint, active business conditions enable them to increase their margin of profit on business handled, while opposite conditions generally see an increase in volume of deposits. From the investor's standpoint, tight money conditions see larger additions to surplus, while under low-money conditions dividends on bank stocks can be maintained out of established surpluses, giving them a comparative income yield which tends to sustain their market value.

If the investor will pick and choose carefully, he should find many opportunities for enterprising commitments. Particularly in the Trust group do the opportunities of greatest potentialities seem to lie, instanced by such issues as: Lawyers Title & Trust, which earned over $22 per share in 1923, representing about 10.81% on the market price at this writing (about $200) and whose shares offer an income yield of about 4.88% at that level; Equitable Trust, which earned almost $17 per share in 1923, representing about 8.15% on the recent market (about $200) and offering a return of 5.93%; Title Guarantee & Trust, which earned over $38 per shar, or about 9.50% on the recent market of 395, and offering a return of over 6%.

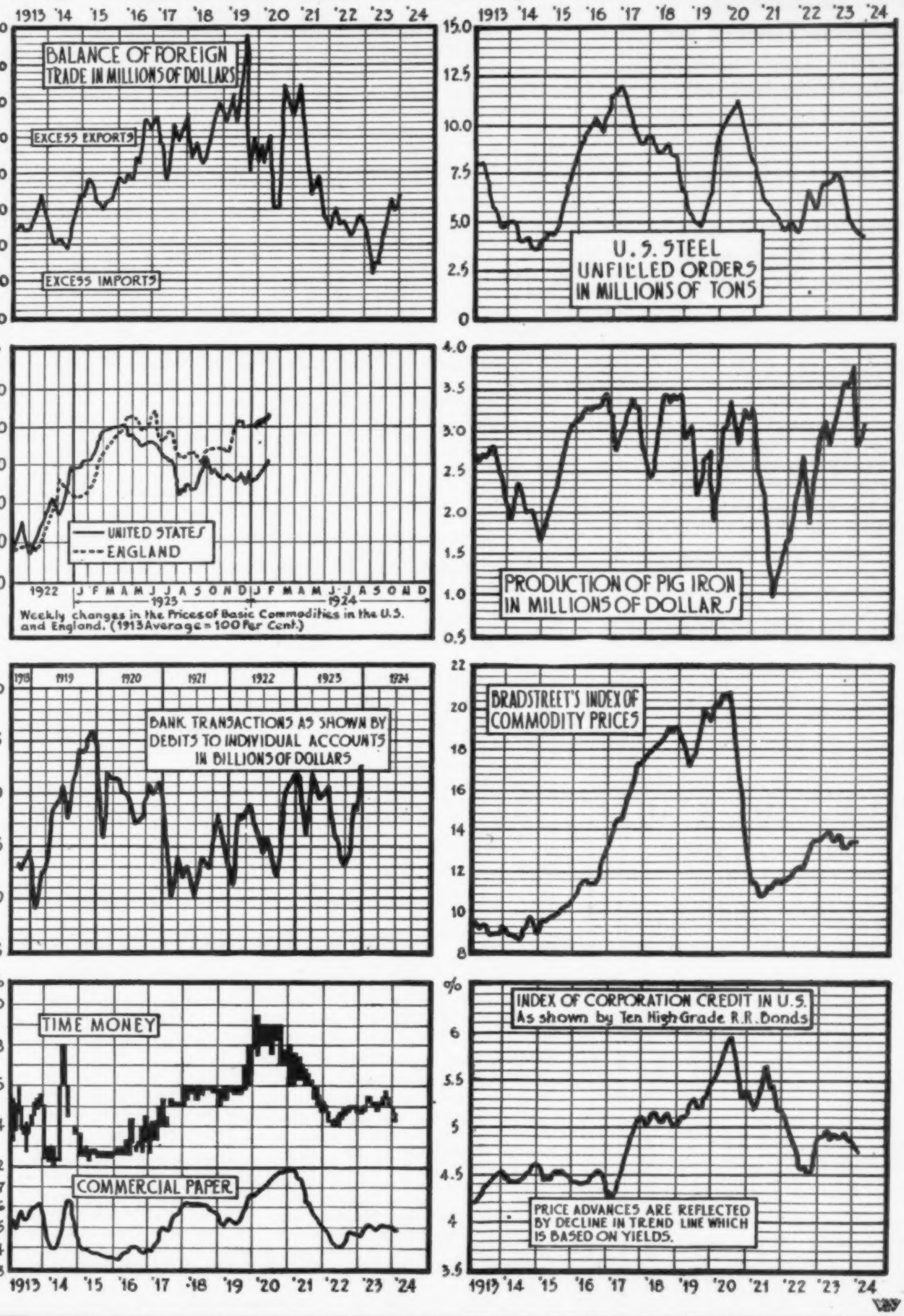
Bank stocks, in general, have for long merited a first-class ranking as investments. Events in 1923 tended to confirm the favor in which they are held. Nothing appears on the horizon to cast doubt upon them, provided only that they be carefully selected.

STATISTICAL RECORD OF NEW YORK CITY BANKS AND TRUST COMPANIES

(IN MILLIONS OF DOLLARS)

	Capital	Surplus & Profits	Deposits
1905			
43 National Banks	$100.8	$121.9	$1,063.3
60 State Banks	21.9	29.5	290.0
46 Trust Companies	55.9	151.6	895.7
Total	$184.7	$302.9	$2,249.1
1910			
57 National Banks	$122.7	$170.9	$1,314.7
57 State Banks	25.2	39.3	420.0
46 Trust Companies	65.4	174.5	1,060.1
Total	$213.3	$384.9	$2,794.8
1915			
50 National Banks	$117.0	$190.8	$2,473.5
44 State Banks	23.3	38.8	536.4
30 Trust Companies	65.5	163.8	1,974.7
Total	$205.9	$393.5	$4,984.6
1920			
48 National Banks	$168.2	$319.9	$3,262.3
46 State Banks	38.3	61.8	969.2
29 Trust Companies	116.9	187.3	2,154.2
Total	$323.6	$569.1	$6,385.7
1922			
42 National Banks	$176.5	$300.2	$3,276.9
48 State Banks	40.2	62.8	862.7
26 Trust Companies	127.6	195.0	2,263.0
Total	$344.4	$558.1	$6,402.7
1923			
47 National Banks	$167.1	$298.2	$3,222.5
53 State Banks	45.9	61.1	1,034.7
26 Trust Companies	159.0	202.0	2,486.2
Total	$372.0	$561.3	$6,743.4

THE TREND OF MANUFACTURE, TRADE & COMMERCE



Over-the-Counter Activities in 1923

How the Market Fared as a Whole—Its Appeal to Investors

THE investment appeal of Over-the-Counter securities was emphasized in the course of the 1923 market—emphasized more strongly, perhaps, than for a number of years past. Although transactions in this market are not officially recorded, every evidence pointed to a large volume of dealings, and some of the price movements which took place were unusually wide.

Contributing largely, no doubt, to the activity and constructive price trend noted in the Over-the-Counter list was the awakened public interest in the field resulting from the greater attention paid it, notably in the columns of THE MAGAZINE OF WALL STREET. During the year, the special department of The Magazine devoted to Over-the-Counter activities published a large amount of explanatory, descriptive and analytical comment on the field in general as well as on the more important of the innumerable companies represented in it. As no other publication has ever yet attempted to cover the Over-the-Counter group in this educational way, it is safe to say that this particular bureau of information was largely instrumental in the successful year the market enjoyed.

A Striking Feature of the Market

A striking feature of the Over-the-Counter list throughout the year was its apparent immunity from speculative influences. Repeatedly during the times when listed securities were fluctuating sharply, due to factors of only temporary significance, the Over-the-Counter list maintained a pace and a trend of its own.

There is, as it happens, a very simple explanation of this phenomenon. In a few words: The Over-the-Counter list was, and is, capable of acting independently of speculative turns and twists because it is in the truest sense a pure investment market.

By that, we hasten to add, it is not in-

A Brief Analysis of Four Over-The-Counter Leaders

THE BORDEN COMPANY

Earned per share, 1922.....$22.00
Earned per share, 1923..(E) 21.00
Current dividend rate....... 8.00
Recommended for investment: February 3, 1923, at $113.
*** Recent price, 123.**

Note: This corporation earns enough from its recently developed candy business to more than cover its dividend requirements. Its basic line of business, i. e., milk and milk products, is contributing to development of an already large surplus. The company is an old dividend payer and a leader in its field.

SINGER MANUFACTURING CO.

Earned per share, 1921....$13.20
Earned per share, 1922..... 23.96
Current dividend rate...... 7.00
Recommended for investment: November 24, 1923, at $126.
*** Recent price, $145.**

Note: Singer has charged off, in recent years, over $106,000,000 on account of potential losses represented largely by Russian holdings. Despite this immense write-off, the corporation still occupies a very strong financial position. It is a leader in a world-wide field.

McCALL CORPORATION

Net earnings, 1920......$120,619
Net earnings, 1921...... 566,054
Net earnings, 1922...... 911,272
Recommended for investment: September 15, 1923, at $40.
*** Recent price, $56.**

Note: McCall's remarkable forward progress in recent years is largely attributable to the energy and foresight of its present management. Dividend arrears of about 27% on its preferred stock are being regularly reduced and meanwhile the equity enjoyed by the common shares is constantly increasing.

AMERICAN CYANAMID

Earnings per share, 1922... $3.54
Earnings per share, 1923... 23.96
(Fiscal year ends June 30th.)
Current dividend rate, $4.
Recommended for Investment: August 18, 1923, at $50.
*** Recent price, $86.**

Note: Expansion of the American Cyanamid Co., reflected in earnings per share, has been well maintained. Company has succeeded in substantially diversifying its activities and occupies a strong position in the chemical industry.

E Estimated. * As of February 8, 1924.

tended to suggest that all the issues included in the Over-the-Counter group are individually of an investment character. Of course, with the market composed as it is of thousands of different securities representing companies in every imaginable type of business, there must be some weak sisters of a highly doubtful character.

What is meant, simply, is that the Over-the-Counter market *as a whole* is an investment market.

The chief factor contributing to the high investment flavor of the Over-the-Counter list is the absence of marginal trading. Securities in this group, if bought at all, must be bought outright for cash. Thus the market is almost entirely free from the small, marginal trader, whose day-to-day shifts from fear to hope and back again contribute so heavily to the inexplicable convolutions of listed issues. Also, it is not under the constant menace of hurried margin calls—with all that this menace can mean in the shape of forced liquidation. And, finally, it fails to attract, except in rare cases, the professional manipulator or the professional trader, both of whom can work to advantage only in markets represented by thousands of small trading accounts.

The "World Leaders"

A second factor contributing to the high investment character of the Over-the-Counter list is the large number of what may truthfully be called world leaders represented in it. Such names as Singer in the sewing-machine world, Gillette in the safety-razor world, Royal in the baking-powder world, American Type Founders, The Borden Co., Yale & Towne, Thompson-Starrett, etc., etc., etc. Such names as these are almost part of the language in their connotation of industrial prestige and affluence. It stands to reason that, if conditions are of a sort to permit profitable operations at all, companies in this class will be in the forefront. Thus, corporations of this grade inspire confidence, and that confidence contributes to the stability of the Over-the-Counter list as a whole.

Some Prominent Successes

In reviewing the developments with regard to individual companies that occurred during the year, a word should be said for the timely forecasts of so many of them which were published in our Over-the-Counter pages.

What may yet go down as one of the timeliest analytical series publshed in our columns was that devoted to the Congoleum Co. This former appendage of the Barrett Co., as is now well known, scored a phenomenal record of business expansion following the war. As its business expanded, its original very modest capitalization grew too, largely through additional share offerings made on an attractive price basis. How enormously the stockholders of the company profited from the expansion was brought out in The Magazine when Congoleum was listed. It was shown that a total invest-

(Please turn to page 66)

IRREGULARITY IN TEXTILES IN 1923

(Continued from page 37)

pacity, and those producing summer underwear rather prosperous.

SILK

The year was characterized by two distinct periods of good business and advancing prices in the silk division, followed by two periods of precisely opposite conditions. At first there were indications that a prosperous year was to be expected. Spring business was entirely satisfactory with mills running full under the stimulus of a brisk demand. Staple crêpes and all popular novelty silks enjoyed a good market.

Before the second quarter had ended, the world of fashion was demanding an unending supply of all things Egyptian, volume of sales was large and profits satisfactory while this demand was at its height, but as doubts began to be expressed as to the permanence of the market, many manufacturers and jobbers proceeded to dump their stocks at concessions. Those successful in disposing of their "King Tut" designs at the beginning of the end were fortunate, for the great majority of the trade had to move final stocks of this merchandise at prices that necessitated severe losses.

As the fall of the year arrived, however, conditions again showed improvement, with style tendencies well defined and prices on a fairly sound basis. Quotations for silk were going higher, and prospects appeared to be favorable. It was at this point that the Japanase earthquake became a paramount factor.

The news of the catastrophe and the possibility that stocks in the Yokohama district had been destroyed, precipitated an overnight advance in silk prices from $8 to $10 a pound. Manufacturers who had taken large volumes of future business were forced into the market even at these figures, but advance quotations were immediately withdrawn on practically all lines and operations confined to the filling of existing orders. The result was that sales fell to a low level for both raw silk and finished materials. The uncertainty of the price situation practically paralized the market, and a subsequent break in raw silk prices during October to around $8 a pound did not have any materially improving effect on the situation. Business was subnormal right up to the close of the year.

WOOL

Woolen and worsted spinners enjoyed a good first half year, but business slumped badly in the second six months. Average production for worsted spindles dropped from theoretical capacity in the first quarter to around 75% in July. Production of woolen spindles was maintained in but slightly better degree.

Early in the year demand for both raw and finished materials was strong, with prices reaching the highest levels since 1920. At one time prices of raw wool

IRREGULARITIES IN TEXTILES IN 1923

(*Continued from page* 58)

overtook prices for tops, yarn and cloth, so that there was actually no margin of profit for the manufacturer, except in those cases where wool purchases had been made before the advance.

Wool Stocks

About the middle of 1923, it became apparent that stocks of manufactured wool were larger than the domestic market could readily absorb, and many holders increased exportations to European markets. In a number of cases this amounted to nothing more than a re-exportation, as the excessive supply had been received for the most part from the very same countries, while our market was active.

On the whole, it may be said that operations in the woolen division of the textile industry were unsatisfactory. The let-up in activity and inventory losses incurred in the last six months did much to wipe out earnings for the first six, and the year closed with all companies making much smaller profits than were originally anticipated.

SIGNS OF IMPROVEMENT IN SHIPPING

(*Continued from page* 46)

seamen were paid twice as much as the British, and about 12 times as much as the German sailors.

To recapitulate, the more serious conditions faced by our shipping industry in 1923 were: Surplus tonnage, declining freight rates, U. S. immigration restrictions, German competition, and U. S. Shipping Board operations.

Intercostal Traffic

Now let us turn to the brighter side of the picture. During the last few months of 1923, ocean freight traffic has grown steadily, and continues to increase. Tonnage demand for oil, lumber, grain, and many other commodities, has undergone a marked revival. Our intercoastal traffic reflects the general prosperity prevailing in the country. Tonnage shipped through the Panama Canal during the year is nearly double that of last year.

With the demand for cargo space, freight rates have stiffened about 15% during the past three months. This is the first upward tendency shown in several years. Further increases are to be expected.

It appears that several factors are at work to improve the shipping situation during the coming year. Operating costs have been gradually reduced, the supply of idle world tonnage is decreasing, different companies are cooperating with regard to rate agreements, and our intercoastal trade bids fair to continue fairly profitable during 1924.

HOW THE PUBLIC UTILITIES FARED IN 1923

(*Continued from page* 30)

ings for the past year may lead to some rate reductions, they are not likely to be severe, and a constantly increasing production and volume of sales should do much to offset this factor.

The results obtained by the light and power companies in 1923 were very much the same as with the gas companies. Production was greater than ever before, and the relation between rates and costs was such as to allow very satisfactory profits.

It is a peculiar fact, and one not often noticed by investors, that this division of the public utility industry is less bothered by political interference and rate reductions than are either the gas or traction companies. Why this is so, is a difficult matter to explain, but something of importance in the question is probably the fact that the relative cost of electricity has been brought down to a remarkably low level. In other words, the consumer in practically any part of the country is able to secure a much greater number of ampere hours of electricity at the present time than ten years ago, that is, with the same amount of money.

This has been the direct result of many new improvements and inventions in the electric light and power business, which have worked both to the advantage of the consumer and producer. During the past year, the General Electric Company announced that it was making tests with mercury in steam-generating plants, and had practically devised a method whereby this more economical system of operation is entirely practical. This discovery is likely to have sweeping effect on the industry.

Probably the greatest advance made, however, during 1923, was the increasing attention given to the idea "Superpower." The problem of saving money by a vast system of interconnecting power plants, supplying power to all parts of the country, has caught the public's fancy, and it appears to be likely that the electric power and light industry of the United States is on the eve of making a tremendous stride forward in the matter of securing maximum efficiency and minimum waste in the production of electricity.

GAS COMPANIES

Company	Year	Funded debt	Interest times earned	Pfd. stk. outstanding (In thousands)	Earned on preferred per share	Common stock outstanding	Earned on common per share	Working capital (In thousands)	Total surplus (In thousands)	Price Range Common H.	Price Range Common L.
BROOKLYN UNION GAS	1913	$15,001,000	2.20	None	.....	$17,999,000	$5.42	$5,748	$5,981	137⅞	120
	1919	17,000,000	0.21	None	.....	18,000,000	.....	741	3,453	92	41
	1920	17,000,000	0.61	None	.....	18,000,000	.....	‡2,885	1,338	65	48
	1921	17,000,000	1.97	None	.....	18,000,000	§	‡3,753	‡3,427	76½	51
	1922	28,579,000	4.2	None	.....	18,000,000	20.34	11,094	7,063	124½	70
	1923	28,579,000	2.3	None	.....	18,000,000	12.00	15,992	7,504	128	105
CONSOLIDATED GAS (N. Y.)	1913	18,738,025	8.89	None	.....	99,816,500	8.50	2,930	15,032	142⅛	125⅛
	1919	24,278,773	3.44	None	.....	100,000,000	4.00	‡868	15,884	106⅜	78¼
	1920	25,000,000	2.75	None	.....	100,000,000	4.16	31,262	13,018	93⅞	71¾
	1921	25,000,000	2.51	None	.....	100,000,000	6.76	20,279	13,000	95	77½
	1922	....	....	None	.....	149,088,900	11.14	31,076	89,539	145¾	85
	1923	....	....	a$15,000	$93	3,562,803 shs	7.77	26,316	104,000	69	57
PEOPLE'S GAS (CHICAGO)	1913	46,762,000	2.29	None	.....	38,500,000	8.25	3,619	13,335	129¾	104
	1919	46,343,000	1.03	None	.....	38,500,000	0.17	1,152	10,791	57	32
	1920	46,286,000	1.14	None	.....	38,500,000	0.99	63	10,718	45	27
	1921	46,177,000	2.90	None	.....	38,500,000	11.65	2,874	14,808	64⅛	33⅝
	1922	46,177,000	1.03	None	.....	38,500,000	8.47	1,766	16,073	99	59¾
	1923	46,177,000	2.08	None	.....	38,500,000	9.00	1,016	17,231	94	86
PHILADELPHIA CO.	1913	36,342,000	3.86	a$6,175	36.50	39,043,000	10.83	4,138	5,768	50	37
	1919	59,578,000	3.42	a15,910	11.90	42,943,000	6.48	2,130	11,775	42⅜	30
	1920	56,718,000	4.07	a15,974	16.20	42,943,000	10.80	‡2,027	13,835	42⅛	30½
	1921	47,473,000	2.49	a15,989	9.70	42,943,000	3.88	9,960	13,646	33½	32¼
	1922	35,863,000	3.93	a15,989	17.00	42,943,000	5.30	7,639	14,640	45⅜	31½
	1923	41,283,000	†3.80	a15,994	†17.00	46,442,000	†5.00	NF	NF	40⅞	41

* New 6% preferred. † Estimated. ‡ Deficit. § If the amount impounded, or gas sales suspense had not been deducted in 1921, the net income would be $1,264,433, equivalent to 7.03% on the capital stock. a—Par $50. NF—Not available.

ELECTRIC LIGHT AND POWER COMPANIES

Company	Year	Funded debt	Times interest earned	Pfd. stk. outstanding (In thousands)	Earned on preferred per share	Common stock outstanding	Earned on common per share	Working capital (In thousands)	Total surplus (In thousands)	Price Range Preferred H.	Price Range Preferred L.	Price Range Common H.	Price Range Common L.
DETROIT EDISON	1913	$13,716,900	2.60	None	.....	$13,415,400	$10.11	$601	$837	...	...	...	...
	1919	37,241,300	2.40	None	.....	25,742,700	9.67	230	2,660	...	...	119	99½
	1920	50,808,100	1.80	None	.....	27,663,000	7.52	4,041	1,654	...	...	108	91
	1921	64,298,800	1.80	None	.....	28,012,700	10.21	1,963	1,966	...	...	100	93½
	1922	69,062,000	2.02	None	.....	34,454,900	11.12	4,935	2,616	...	...	118½	100¾
	1923	68,800,000	2.40	None	.....	49,925,800	11.85	4,039	4,099	...	...	111	101⅞
MONTANA POWER	1913	14,938,000	2.94	$9,671	$15.68	49,331,800	3.13	§2,853	525	*		*	
	1919	32,942,700	2.38	9,671	23.73	49,407,500	3.87	1,190	3,548	106¼	100	83	54
	1920	32,647,700	2.86	9,671	31.61	49,407,500	5.27	1,429	4,404	100¾	93	69½	47½
	1921	32,303,100	1.96	9,671	16.17	49,633,300	1.99	608	3,719	101	92¼	64⅝	43
	1922	32,991,000	2.55	9,784	26.41	49,633,300	3.79	1,672	3,989	110¾	100⅝	76⅜	63
	1923	32,944,000	†3.00	9,784	†35.00	49,633,000	†7.00	.....	.....	112	106	71	55⅞
PACIFIC GAS & ELEC.	1913	77,678,000	1.30	18,801	12.61	32,109,300	2.06	339	7,865	*		*	
	1919	87,002,406	1.80	29,049	11.11	34,004,058	5.33	3,061	5,868	90	85¾	72¼	44⅞
	1920	95,758,600	1.80	33,685	11.64	34,004,058	6.30	5,033	6,517	88¼	75½	61	41⅞
	1921	113,495,700	2.00	41,176	12.07	34,004,058	8.34	13,185	7,946	87	76¾	68	46½
	1922	111,700,000	2.3	51,178	12.8	34,697,758	11.50	6,812	8,503	90¾	86⅝	91½	62¾
	1923	130,300,000	2.4	54,242	12.1	35,630,000	10.25	.....	.....	92	88¼	85	73
PUBLIC SERV. CORP. OF N. J.	1913	59,547,370	1.71	None	.....	25,000,000	9.00	4,517	1,502	...	...	118	105
	1919	82,493,370	1.26	10,057	14.41	29,999,600	1.82	§641	2,419	*		91¾	60
	1920	82,491,370	1.57	10,059	26.03	30,000,000	5.12	§587	2,732	*		68	52
	1921	88,323,950	1.92	11,809	34.41	30,000,000	9.19	§488	2,971	*		70¼	54
	1922	199,986,844	2.42	18,415	33.80	30,000,000	14.18	506	2,982	108	104½	100	66
	1923	196,623,000	†2.80	22,650	†35.00	‡600,000 shs	†6.00	.....	.....	108⅜	98½	51½	42

* No record. † Estimated. ‡ Changed from $100 par to no par value as of April 2, 1923. § Current liabilities exceed current assets.

RETAIL TRADE CONDITIONS

(*Continued from page* 42)

rest time. Sales for the first six months were large, but this resulted to a great extent from good farm profits in the fall of 1922. In October, 1923, combined sales of the two leading houses totaled 37.6 millions compared with 26 millions in the month previous, and 30 millions in October, 1922. There was a slight decline in the November total to 34.5 millions, and a subsequent increase to approximately 36 millions in December.

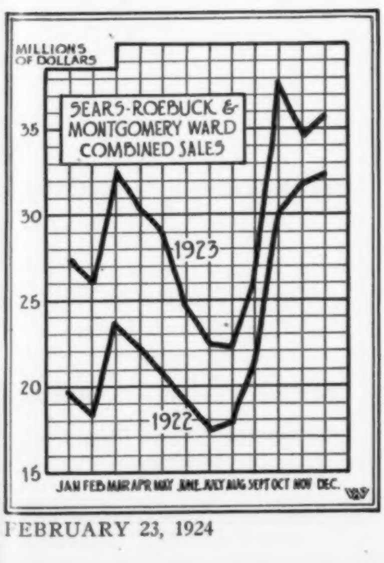
The margin of profit during the past year was wide enough to allow comparatively good earnings for both of the large mail-order companies, and no doubt for many of the smaller organizations. This was in spite of the fact that an unfavorable comparison continued to exist between the price of what the farmer has to sell and what he has to buy. Should this unbalance be corrected during 1924, the only obstacle standing in the way of record profits would be removed.

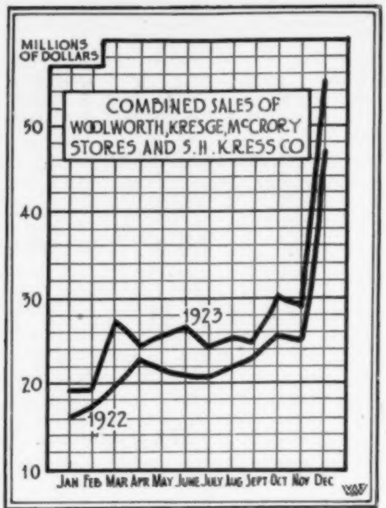
CHAIN STORES

The best showing in this group was made by those companies operating five, ten and twenty-five cent stores. The combined sales of the four largest of these concerns were greater than in any previous year. Their net earnings were also at record levels.

In the first eleven months alone, the F. W. Woolworth Co. reported sales totaling 160.8 million dollars, or a gain of 15% over the corresponding period of 1922. Still better results were obtained by the S. S. Kresge Co., and McCrory Stores Corporation with increases of 26% each in sales to 68.7 and 17.7 millions, respectively. The smallest advance in sales was reported by S. H. Kress & Co., whose total volume of business increased but 11% to 28 million dollars.

As regards the other chain-store organizations, those operating grocery stores enjoyed the greatest increase in business. The combined sales of 32 companies for





the entire year showed a gain of approximately 20% over the total for 1922. Profits did not increase in proportion, however, due to losses sustained on a number of food products that suffered price declines. Rough estimates of the volume of sales for candy stores show an increase of about 17%; for cigar stores, 10%, and 12% for chain drug stores. The poorest showing of any in the entire group was made by the music stores, the combined sales of the four largest organizations indicating practically no gain in sales volume.

It can readily be seen from the above figures that the chain-store business as a whole exhibited a rather remarkable growth during the past year. The securities of a number of companies reached the highest levels ever recorded, thus indicating highly satisfactory earnings, and at the same time revealing the growing favor with which this class of security is being regarded by investors.

DEPARTMENT STORES

Most trade indices show expansion of the department store business to have been less than that of the chain-store group. In the case of the former, however, the sales volume of a definite number of establishments is considered whereas with the latter, no allowance is made for increased number of stores put in operation during the year. On a more comparative basis, the estimated increase of approximately 9% in department store sales shows up very favorably. Total combined sales exceeded those of not only 1922 and 1921, but 1920 and 1919 as well.

Furthermore, the net earnings of most department store organizations increased to a proportionate extent due to a wide margin of profit. Inventories were turned oftener and marked reductions were made in many items of operating expense.

Sales not only increased for the entire year but there was a substantial gain in each successive month. Owing to the seasonal character of the business and the fact that the greater part of net profits are usually shown in the last four months of the year, it was not apparent as to what the final outcome would be for 1923 until the end of September. The volume of Christmas business handled by the de-

partment stores, however, was even above previous expectations. Generally speaking, the best showing for the year was made in the middle West and South, due to the economic improvement that took place in that part of the country.

A notable event in the department store field was the acquisition of Saks & Co., by Gimbel Bros., Inc. The properties acquired included the present Saks store at Broadway and 34th Street, New York, and a Fifth Avenue building under construction. It is estimated that this expansion provided a 20% increase in sales for Gimbel Bros. during the past year, whose total volume of business exceeded 95 million dollars. Another acquisition worthy of mention was the purchase of Hamberger & Sons, Los Angeles, by the May Department Stores Co. This added about 30% to the latter concern's annual volume of sales.

Summarizing the situation in this branch of the retail merchandising field, it may be said that the department stores were unusually prosperous in 1923. At the close of the year there was no indication of a change for the worse.

IMPROVEMENT IN MACHINERY TRADE

(*Continued from page* 41)

of especial notice. Practically all the larger companies were able to reduce their inventories as well as indebtedness to banks, which were serious factors in the preceding year. Also there was less price cutting in evidence and greater insistence on the part of buyers for quality products.

At the close of the year all indications pointed toward a gradual improvement in the machine-tool business during 1924. While no real buying boom is likely to take place, replacement demand should be large, and the great majority of prospective buyers will be better supplied with necessary cash as a result of the last two years of fair profits in most lines of activity. The machine-tool trade has better prospects ahead.

Agricultural Machinery

Contrary to earlier expectations, manufacturers of agricultural machinery were able to at least make small profits. Several companies reported distinct improvement over the previous year both in sales and earnings. Those whose operations were very unsatisfactory may attribute the fact to troubles within the organization rather than conditions prevailing in the industry.

While wheat farmers found it impossible to buy farm equipment in quantity, due to the low prices received for their product, the general situation of the agriculturalists was somewhat improved. This fact was reflected in a greater volume of equipment sales in many localities. Collections returned to near-normal, and a fair amount of business was done for cash, which is a rather unusual thing in this division of industry. Labor and raw material costs were higher, but so were sellers' prices. Margin of profit was smaller than is usual during a good year,

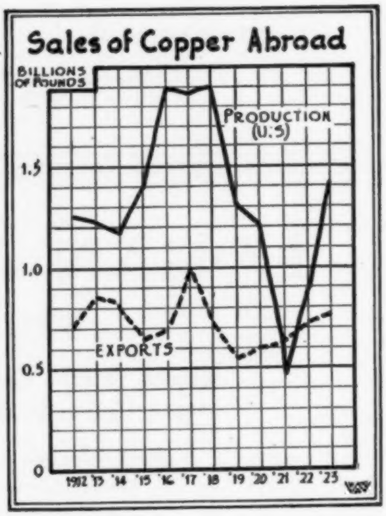
due in part to the fact that plants could not be operated very close to capacity without increasing inventories to dangerous proportions.

Foreign demand for agricultural machinery was much better than in the previous year, exports to practically all countries showing a decided increase. As real prosperity is more or less dependent on the return to normal in volume of exports, a greater demand from abroad can be considered as a very encouraging factor as regards the future. Replacement demand has been built up to enormous proportions in all parts of the world, and the current year is likely to see further increase in volume of domestic and foreign sales.

1923 AN UNEVENTFUL METAL YEAR

(*Continued from page* 40)

highest price was 12.25c a lb. The average price for the last thirty years is 4.81c per lb. So it will be seen that the lead producers have had little to complain about. The average price of



pig lead, New York, for January of last year was 7.6c a lb. and the average for December was 7.2c a lb. The low month for the year was July, when pig lead averaged 6.2 a lb.

Tin Spectacular as Usual

According to its habit, tin gyrated over the price scales. Starting the year with a monthly average of 39.1c a lb. it reached its monthly average of 48.5c a lb. in March. July saw the low with an average of 38.4c. After that the tin market began to climb, showing steady advance until the close of the year. The average of Straits tin, N. Y., for the month of December of 47.2c a lb., was only a little more than a cent below the monthly high average of the year. As is generally known, tin is a metal *sui generis* and is swayed by conditions of production which are not necessarily

synchronous with the factors affecting the production of other metals.

Zinc Steady in 1923

Zinc or spelter showed more stability than either of the other three metals discussed. Average price for January was 6.8c a lb. and the high in March was 7.7c a lb. The low average monthly price of 6.0c a lb. was reached for both June and July. Then began a slow and slight recovery, December showing an average price of 6.2c a lb. Zinc is somewhat in the position of copper, there having been a large increase in output capacity as a result of the high prices induced by the war period. It has had its big post-war decline and now seems to be on a balanced keel once more.

THE CHEMICAL AND ALLIED TRADES

(*Continued from page* 49)

of consumption possible. Total estimated sales by manufacturers were 5.9 million tons, compared with but 5.2 millions in 1922, and of this greater amount approximately 4 million tons found its way into the agricultural regions of the South.

Not only were sales larger, but other favorable developments were recorded. Frozen credits of previous years were to a great extent liquidated, and a good part of sales were made on a cash basis. While there was undoubtedly an increase in the home mixing of fertilizers, the relative extent of increase is estimated to have been no greater than the increase in sales of manufacturing companies. In other words, these companies held their own and secured their share of additional fertilizer business. Very few were able to make profits, due to the extremely low price levels, but the foundation was laid for substantial improvement in earnings during the current year.

STEADY PROGRESS IN BANKING IN 1923

(*Continued from page* 53)

speculative opportunities were held out, while demand for accommodation was narrower and more conservative.

Situation at Opening of 1924

At the opening of 1924, the banking community finds itself with practically a total of about 30,176 institutions, of which in round numbers 9,176 are members of the Federal reserve system, national banks numbering about 8,239, and state institutions about 1,500. The resources of the banks of all classes are in the neighborhood of $54,200,000,000, while total holdings of specie are probably about $4,000,000,000. Deposits are about $43,000,000,000, and of this sum savings and time deposits constitute about $20,000,000,000. Probably a smaller proportion of the loans and discounts is doubtful or unliquid than

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